

536100 THE TEXAS MEXICAN RAILWAY CO. 1978 1

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R-2
CLASS II RAILROADS

APPROVED BY GAO
B-180230 (R0471)
Expires 12-31-81

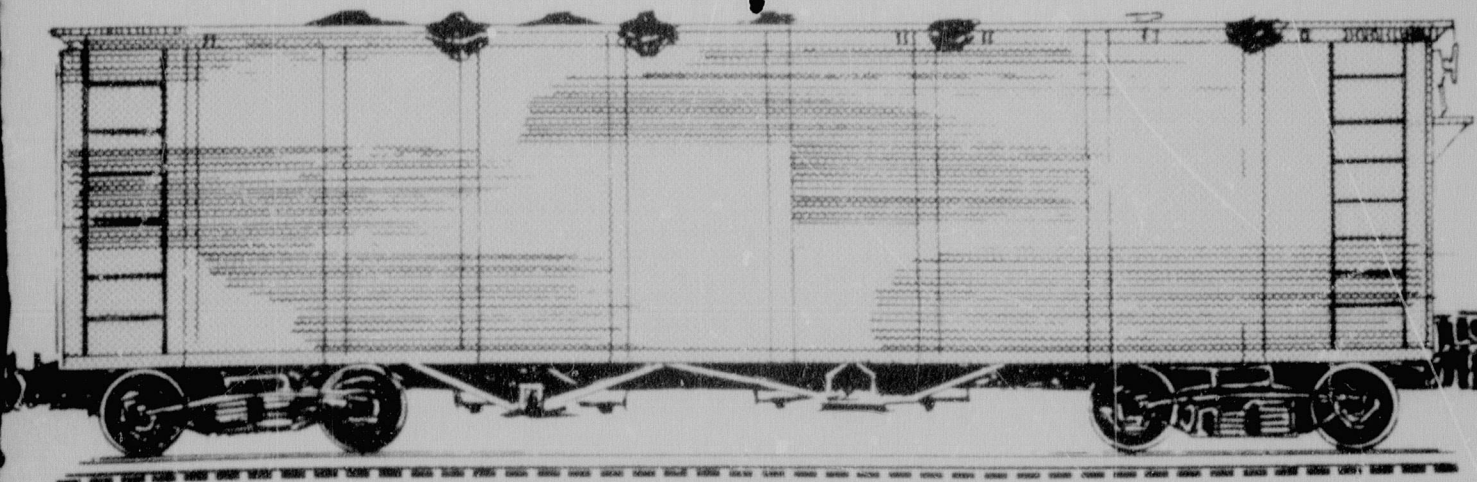
annual report

INTERSTATE
COMMERCE COMMISSION
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APR 9 1979

ADMINISTRATIVE SERVICES
MAIL UNIT

	<p>THE TEXAS MEXICAN RAILWAY COMPANY P. O. BOX 419 LAREDO, TEXAS 78040</p>
<p>Correct name and address if different than shown.</p>	<p>Full name and address of reporting carrier. (Use mailing label on original, copy in full on duplicate.)</p>



to the

Interstate Commerce Commission

FOR THE YEAR ENDED DECEMBER 31, 1978

NOTICE

1. This Form for annual report should be filled out in triplicate and two copies returned to the Interstate Commerce Commission, Bureau of Accounts, Washington, D.C. 20423, by March 31 of the year following that for which the report is made. Attention is specially directed to the following provision of Part I of the Interstate Commerce Act:

Sec. 20. (1) The Commission is hereby authorized to require annual, periodical, or special reports from carriers, lessors, * * * (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, * * * specific and full, true, and correct answers to all questions upon which the Commission may deem information to be necessary, classifying such carriers, lessors, * * * as it may deem proper for any of these purposes. Such annual reports shall give an account of the affairs of the carrier, lessor, * * * in such form and detail as may be prescribed by the Commission.

(2) 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 at 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.

(7) (b). 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 the section to be filed, * * * or shall knowingly or willfully file with the Commission any false report or other document, shall be 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. * * *

(7) (c). Any carrier or lessor, * * * 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 questions 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.

(8). As used in this section * * * 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. * * *

The respondent is further required to send to the Bureau of Accounts, immediately upon preparation, two copies of its latest annual report to stockholders. See schedule D, page 7.

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 (or 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 particulars, 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 herein otherwise specifically directed or authorized.

4. If it be necessary or desirable to insert additional statements, typewritten or other, in a report, they should be legibly made on durable paper and, wherever practicable, on sheets not larger than a page of the Form. Inserted sheets should be securely attached, preferably at the inner margin, attachment by pins or clips is 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 shown in thousands of dollars adjusted to accord with footings. Totals for amounts reported in subsidiary accounts included in supporting schedules must be in agreement with related primary accounts. For purposes of rounding, amounts of \$500 but less than \$1,000 should be raised to the nearest thousand dollars, and amounts of less than \$500 should be lowered.

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 sent to each corporation concerned.

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 transportation and 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.

In applying this classification to any switching or terminal company which is operated as a joint facility of owning or tenant railways, the sum of the annual railway operating revenues, the joint facility rent income, and the returns to joint facility credit accounts in operating expenses, shall be used in determining its class.

Switching and terminal companies are further classified as:

Class S1. Exclusively switching. This class of companies includes all those performing switching service only, whether for joint account or for revenue.

Class S2. Exclusively terminal. This class of companies includes all companies furnishing terminal trackage or terminal facilities only, such as union passenger or freight stations, stockyards, etc., for which a charge is made, whether operated for joint account or for revenue. In case a bridge or ferry is a part of the facilities operated by a terminal company, it should be included under this heading.

Class S3. Both switching and terminal. Companies which perform both a switching and a terminal service. This class of companies includes all companies whose operations cover both switching and terminal service, as defined above.

Class S4. Bridge and ferry. This class of companies is confined to those whose operations are limited to bridges and ferries exclusively.

Class S5. Mixed. Companies performing primarily a switching or a terminal service, but which also conduct a regular freight or passenger traffic. The revenues of this class of companies include, in addition to switching or terminal revenues, those derived from local passenger service, local freight service, participation in through movement of freight or passenger traffic, other transportation operations, and operations other than transportation.

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 the 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 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 next preceding the year for which the report is made. THE UNIFORM System in Part 1201 of Title 49, Code of Federal Regulations, as amended.

10. Railroads and all companies considered to be carriers under Section 5(3) of the Interstate Commerce Act having gross carrier operating revenues of \$20 million or more shall file the Annual Report Supplement Corporate Disclosure. This supplement is an integral part of the annual report and shall be submitted concurrently. Subject railroads are not required to file Schedules 380, 381, and 390.

Railroads with carrier operating revenues less than \$20 million shall complete all applicable schedules in this report.



THE TEXAS MEXICAN RAILWAY COMPANY

ACCOUNTING DEPARTMENT

P. O. BOX 419

LAREDO, TEXAS 78040

TEL. AREA CODE 512
722-6461

TELEX
76-3411

L. BARELA
COMPTROLLER

A. C. DE LA GARZA
TREASURER - SECRETARY

M. RODRIGUEZ
AUDITOR

E. J. LIGHTNER
ASSISTANT AUDITOR

J. M. GONZALEZ
ASSISTANT AUDITOR

A. RAMIREZ
ASSISTANT AUDITOR

April 5, 1979

Mr. John A. Grady, Director
Bureau of Accounts
Interstate Commerce Commission
12th and Constitution, N. W.
Washington, D. C. 20236

Dear Mr. Grady:

Enclosed herewith are two copies of our Railroad Annual
Report Form K-II for the year ended December 31, 1978.

Please acknowledge receipt.

Very truly yours,

M. Rodriguez

LB:hkg
Enc

Mike Rodriguez - auditor
will mail additional copy in tonight's
mail per phone conversation 4/24/79

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ANNUAL REPORT

OF

THE TEXAS MEXICAN RAILWAY COMPANY

(Full name of the respondent)

LAREDO, TEXAS

FOR THE

YEAR ENDED DECEMBER 31, 1978

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

(Name) L. G. Barela

(Title) Comptroller

(Telephone number) (512) 722-6461

(Area code)

(Telephone number)

(Office address) P. O. Box 419, Laredo, Texas 78040

(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 substitution 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.

Revisions to this report resulted from the following Commission's decisions copies of which were served on all railroads:

<u>Docket</u>	<u>Title</u>	<u>Decision Date</u>
36141	Corporate Disclosure Regulations	5/13/77 1/19/78 3/23/78
36367	Revision to the Uniform System of Accounts for Railroads	6/13/77
36604	Accounting for leases	10/12/77
36725	Revision to the Annual Report Forms for Class I and Class II Railroads	7/18/78

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) 120

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A. SCHEDULES OMITTED BY RESPONDENT

1. The respondent, at its option, may omit pages from this report provided there is nothing to report or the schedules are not applicable.

2. Show below the pages excluded and indicate the schedule number and title in the space provided below.

3. If no schedules were omitted indicate "NONE".

Page	Schedule No.	Title
23	310, 310A, 315	General Instructions Concerning Schedules 310, 310A, and 315.
24	310	Investments and Advances Affiliated Companies
25	310	" " " " - Con't
26	310	" " " " - Con't
27	310	" " " " - Con't
28	310-A	Investments In Common Stocks of Affiliated Companies
29	-	Notes and Remarks
30	315	Special Funds and Other Investments
31	315	" " " " " - Con't
32	319	Securities, Advances, and other Intangibles Owned or Controlled Through Nonreporting Subsidiaries
53	-	Notes and Remarks
54	361	Capitalized Capital Leases

B. IDENTITY OF RESPONDENT

1. Give the exact name* by which the respondent was known in law at the close of the year The Texas Mexican Railway 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? Yes, same name as above.
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 P. O. Box 419, 1200 Washington St., Laredo, Texas 78040
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	A. R. Ramos, 1200 Washington St., Laredo, Texas 78040
2	Vice President - Oper.	C. H. Darnell, Jr., 1200 Washington St., Laredo, Texas 78040
3	Secretary	A. C. de la Garza, 1200 Washington St., Laredo, Texas 78040
4	Treasurer	" " " " " "
5	Controller or auditor	L. G. Barela, 1200 Washington St., Laredo, Texas 78040
6	Attorney or general counsel	
7	General Manager	C. H. Darnell, Jr., 1200 Washington St., Laredo, Texas 78040
8	General superintendent	
9	General freight agent	
10	General passenger agent	
11	General land agent	
12	Chief engineer	
13	V.P.-Traffic	W. L. Webber, 1200 Washington St., Laredo, Texas 78040

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)
14	A. R. Ramos	Laredo, Texas	6-30-79
15	C. H. Darnell, Jr.	" "	"
16	B. F. Wright, Jr.	" "	"
17	Max A. Mandel	" "	"
18	D. B. Herterich	New York, New York	"
19	Richard King III	Corpus Christi, Texas	"
20	Jack Ryan	" "	"
21	Rogelio Carballo M.	Mexico City, Mexico	"
22	Aurelio Diaz A.	" " "	"
23			

7. Give the date of incorporation of the respondent Mar. 13, 1875. State the character of motive power used Diesel loco.
9. Class of switching and terminal company N/A

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.

Act of the State of Texas 14th, 15th and 16th Legislature, Incorporated Mar. 13, 1875, as The Corpus Christi, San Diego and Rio Grande Narrow Gauge RR Co., Name changed 6-25-81 to The Texas Mexican Railway Company.

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.

None

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. No consolidations, mergers, or reorganizations

have taken place. Road construction begun by local investors, completed by National Railways of Mexico after June 25, 1981.

* 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.

NOTES AND REMARKS

called 3/13/80

512-722-6461

Attn: Solis conf.

Tax Mex

C. VOTING POWERS AND ELECTIONS

1. State the par value of each share of stock. Common, \$ 100 per share; first preferred, \$ - per share; second preferred, \$ - per share; debenture stock, \$ - per share.
2. State whether or not each share of stock has the right to one vote; if not, give full particulars in a footnote.
Yes
3. Are voting rights proportional to holdings? Yes If not, state in a footnote the relation between holdings and corresponding voting rights.
4. Are voting rights attached to any securities other than stock? No If so, name in a footnote each security, other than stock to which voting rights are attached (as of the close of the year), and state in detail the relation between holdings and corresponding voting rights, stating whether voting rights are actual or contingent, and if contingent showing the contingency.
5. Has any class or issue of securities any special privileges in the election of directors, trustees, or managers, or in the determination of corporate action by any method? No If so, describe fully in a footnote each such class or issue and give a succinct statement showing clearly the character and extent of such privileges.
6. Give the date of the latest closing of the stock book prior to the actual filing of this report, and state the purpose of such closing.
7. State the total voting power of all security holders of the respondent at the date of such closing, if within one year of the date of such filing; if not, state as of the close of the year. None votes, as of 12-31-78 (Date)
8. State the total number of stockholders of record, as of the date shown in answer to inquiry No. 7, 10 stockholders.
9. Give the names of the thirty security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within 1 year prior to the actual filing of this report), had the highest voting powers in the respondent, showing for each his address, the number of votes which he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, with respect to securities held by him, such securities being classified as common stock, second preferred stock, first preferred stock, and other securities, stating in a footnote the names of such other securities (if any). If any such holder held in trust, give (in a footnote) the particulars of the trust. In the case of voting trust agreements give, as supplemental information the names and addresses of the thirty largest holders of the voting trust certificates and the amount of their individual holdings. If the stock book was not closed or the list of stockholders compiled within such year, show such thirty security holders as of the close of the year.

Line No.	Name of security holder (a)	Address of security holder (b)	Number of votes to which security holder was entitled (c)	NUMBER OF VOTES, CLASSIFIED WITH RESPECT TO SECURITIES ON WHICH BASED		
				Stocks		
				Common (d)	PREFERRED Second (e)	First (f)
1	Manufacturers Hanover					
2	Trust Company					
3	D. B. Herterich	New York, New York	24,991	24,991		
4	A. R. Ramos	" "	1	1		
5	C. H. Darnell, Jr.	Laredo, Texas	1	1		
6	B. F. Wright, Jr.	" "	1	1		
7	Max A. Mandel	" "	1	1		
8	Richard King III	Corpus Christi, Tx	1	1		
9	Jack Ryan	" "	1	1		
10	Rogelio Carballo Millan	Mexico City, Mexico	1	1		
11	Aurelio Diaz Arzoz	" "	1	1		
12						
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C. VOTING POWERS AND ELECTIONS—Continued

10. State the total number of votes cast at the latest general meeting for the election of directors of the respondent. 25,000
votes cast.

11. Give the date of such meeting. June 29, 1978

12. Give the place of such meeting. Laredo, Texas

NOTES AND REMARKS

D. 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.

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - ASSETS

Line No.	Account No.	Title (a)	Balance at Close of Year (b)	Balance at Begin- ning of Year (c)
		<u>Current Asset</u>		
1	701	Cash	\$ 1,095	\$ 1,210
2	702	Temporary Cash Investments (Sch. 300)	4,103	3,753
3	703	Special Deposits (Sch. 300)		
		Accounts Receivable		
4	705	- Interline and Other Balances	41	35
5	706	- Customers	2,243	1,290
6	707, 704	- Other	562	542
7	709, 708	- Accrued Accounts Receivables	257	163
8	708 710	- Working Fund Advances	4	4
9	709.5	- Less: Allowance for Uncollectible Accounts		
10	711, 714	Prepayments (and working funds) (Sch. 300)	3	5
11	712	Materials and Supplies	1,841	1,215
12	713	Other Current Assets (Sch. 300)	13	17
13		Total Current Assets	10,162	8,234
		<u>Other Assets</u>		
14	715, 716, 717, 722, 723, 724	Special Funds and Other Investments and advances (Sch. 315)	-	1
15	721, 721.5	Investments and Advances; Affiliated Companies (Sch. 310)		
16	737, 738	Property used in other than Carrier Operations (less depreciation \$ 311) (Sch. 325)	838	853
17	739, 741	Other Assets (Sch. 329)		
18	743, 744	Other Deferred Debits (Sch. 329)	265	207
19		Total Other Assets	1,103	1,061
		<u>Road and Equipment</u>		
20	731, 732	Road (Sch. 330 & 330A)	7,701	7,472
21		Equipment	6,016	5,551
22		Unallocated Items	132	132
23	733, 734, 735, 736	Accumulated Depreciation and amortization (Schs. 332, 342, 352, 355)	(4,202)	(3,945)
24		Net road and Equipment	9,647	9,210
25		Total Assets	20,912	18,505

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - LIABILITIES AND EQUITY

Line No.	Account No.	Title (a)	Balance at Close of Year (b)	Balance at Begin- ning of Year (c)
		<u>Current Liabilities</u>	\$	\$
26	751	Loans and Notes Payable (Sch. 370)		
27	752	Accounts Payable, Interline and Other Balances	1,742	1,923
28	753, 754	Other Accounts Payable	834	577
29	755, 756	Interest and Dividends Payable	12	13
30	757	Payables to Affiliated Companies		
31	759	Accrued accounts Payable (Sch. 370)	333	310
32	760, 761, 761.5, 762	Taxes Accrued (Sch. 379)	105	178
33	763	Other Current Liabilities (Sch. 370)	459	273
34	764	Equipment obligations and other long-term debt due within one year		
35		Total Current Liabilities	3,485	3,274
		<u>Non Current Liabilities</u>		
36	765, 767	Funded debt unmatured	320	360
37	766	Equipment obligations		
38	766.5	Capitalized Lease Obligations		
39	768	Debt in default	2,340	2,340
40	769	Accounts payable, Affiliated Companies		
41	770.1, 770.2	Unamortized debt premium		
42	781	Interest in default	6,486	6,486
43	783	Deferred revenues-Transfers from Government Authorities		
44	786	Accumulated deferred income tax credits	651	509
45	771, 772, 774, 775, 782, 784	Other long-term liabilities and deferred credits (Sch. 379)	1,121	1,095
46		Total Noncurrent Liabilities	10,918	10,780
		<u>Stockholders' Equity</u>		
47	791, 792	Capital Stock, (Sch. 230)	2,500	
48		Common Stock	2,500	2,500
49		Preferred Stock		
50	793	Discount on Capital Stock		
51	794, 795	Additional Capital (230)		
		Retained Earnings:		
52	797	Appropriated (221)		
53	798	Unappropriated (220)	4,009	1,941
54	798.1	Net Unrealized loss on noncurrent marketable equity securities		
55	798.5	Less Treasury Stock		
56		Net Stockholders Equity	6,509	4,441
57		Total Liabilities and Shareholders Equity	20,912	18,505

NOTES AND REMARKS

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - 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) service in-

terruption 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; (2) particulars concerning obligations for stock purchase options granted to officers and employees; and (3) what entries have been made for net income or retained income restricted under provisions of mortgages and other arrangements. (Dollars in thousands)

1. 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

2. 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 \$ None

3. (a) Explain the procedure in accounting for pension funds and recording in the accounts the current and past service pension costs, indicating whether or not consistent with the prior year. No Pension Fund Exists

(b) State amount, if any, representing the excess of the actuarially computed value of vested benefits over the total of the pension fund. \$ N/A

(c) Is any part of pension plan funded? Specify. Yes No

(i) If funding is by insurance, give name of insuring company N/A

(ii) If funding is by trust agreement, list trustee(s)

Date of trust agreement or latest amendment

If respondent is affiliated in any way with the trustee(s), explain affiliation:

(d) List affiliated companies which are included in the pension plan funding agreement and describe basis for allocating charges under the agreement N/A

(e)(i) Is any part of the pension plan fund invested in stock or other securities of the respondent or any of its affiliates? Specify.

Yes No

If yes, give number of the shares for each class of stock or other security:

(ii) Are voting rights attached to any securities held by the pension plan? Specify. Yes No If yes, who determines how stock is voted? N/A

4. 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

Continued on following page

200. COMPARATIVE STATEMENT OF FINANCIAL POSITION - EXPLANATORY NOTES (Concluded)

Marketable Equity Securities - to be completed by companies with \$10.0 million or more in gross operating revenues.

(a) Changes in Valuation Accounts

	Cost	Market	Dr. (Cr) to Income	Dr. (Cr) to Stockholders Equity
(Current Yr.) Current Portfolio <u>Not Applicable</u>				XXXXX
as of / / Noncurrent Portfolio			XXXXX	\$
(Previous Yr.) Current Portfolio <u>None</u>			XXXXX	XXXXX
as of / / Noncurrent Portfolio			XXXXX	XXXXX

(b) At / / , gross unrealized gains and losses pertaining to marketable equity securities were as follows:

	Gains	Losses
Current	\$	\$
Noncurrent		

(c) A net unrealized gain (loss) of \$ on the sale of marketable equity securities was included in net income for (year). The cost of securities sold was based on the (method) cost of all the shares of each security held at time of sale.

Significant net realized and net unrealized gains and losses arising after date of the financial statements but prior to their filing, applicable to marketable equity securities owned at balance sheet date shall be disclosed below.

NOTE: / / - date - Balance sheet date of the current year unless specified as previous year.

NOTES AND REMARKS

210. RESULTS OF OPERATIONS

1. Disclose the requested information for the respondent pertaining to the results of operations for the year.

2. Report total operating expenses from Schedule 410 of this report. Any disparities in expense amounts shown in this schedule and expense amounts reported in Schedule 410 must be fully explained.

3. List dividends from investments accounted for under the cost method on the appropriate line for Account No. 513, "Divi-

dend income." List dividends accounted for by the equity method on the appropriate dividend line under the "Income from Affiliated Companies" subsection of this schedule.

4. All contra entries hereunder should be indicated in parentheses.

5. Report dollars in thousands.

Line No.	Item (a)	Amount for Current Year (b)	Amount for Preceding Year (c)	Freight-Related Revenues & Expenses (d)	Passenger-Related Revenues & Expenses (e)
ORDINARY ITEMS					
OPERATING INCOME					
	Railway Operating Income				
1	(101) Freight **	\$ 10,691	\$ 7,943	\$ 10,691	\$ None
2	(102) Passenger **				
3	(103) Passenger-Related				
4	(104) Switching	206	185	206	None
5	(105) Water Transfers				
6	(106) Demurrage	581	376	581	None
7	(110) Incidental	50	38	50	None
8	(121) Joint Facility-Credit				
9	(122) Joint Facility-Debit	(2)	(4)	(2)	None
10	(501) Railway operating revenues	11,526	8,538	11,526	None
11	(531) Railway operating expenses	9,724	8,387	9,724	None
12	*Net revenue from railway operations	1,802	151	1,802	None
OTHER INCOME					
13	(506) Revenue from property used in other than carrier operations	63	75		
14	(510) Miscellaneous rent income	134	107		
15	(512) Separately operated properties-Profit				
16	(513) Divided income				
17	(514) Interest income	332	261		
18	(516) Income from sinking and other funds				
19	(517) Release of premiums of funded debt				
20	(518) Contributions from other companies				
21	(519) Miscellaneous income	32	34		
	Income from Affiliated companies:				
22	Dividends				
23	Equity in undistributed earnings (losses)				
24	Total other income (lines 13-23)	561	477		
25	Total income (lines 12, 24)	2,363	628		
MISCELLANEOUS DEDUCTIONS FROM INCOME					
26	(534) Expenses of property used in other than carrier operations				
27	(535) Taxes on property used in other than carrier operations				
28	(543) Miscellaneous rent expense				
29	(544) Miscellaneous taxes	12	12		
30	(545) Separately operated properties-Loss				
31	(549) Maintenance of investment organization				
32	(550) Income transferred to other companies				
33	(551) Miscellaneous income charges	4	1		
34	(553) Uncollectible accounts				
35	Total miscellaneous deductions (lines 26-34)	16	13		
36	Income available for fixed charges (lines 25, 35)	2,347	615		
FIXED CHARGES					
37	(546) Interest on funded debt:				
38	(a) Fixed interest not in default	176	178		
39	(b) Interest in default				
40	(547) Interest on unfunded debt				
41	(548) Amortization of discount on funded debt				
42	Total fixed charges (lines 37-40)	176	178		
	Income after fixed charges (lines 36, 41)	2,171	437		

210. RESULTS OF OPERATIONS—Continued

Line No.	Item (a)	Amount for Current Year (b)	Amount for Preceding Year (c)
	OTHER DEDUCTIONS	\$	\$
43	(546) Interest on funded debt: (c) Contingent interest		
	UNUSUAL OR INFREQUENT ITEMS		
44	(555) Unusual or infrequent items (debit) credit		
45	Income (loss) for continuing operations (before income taxes)	2,171	
	PROVISIONS FOR INCOME TAXES		
46	(556) Income taxes on ordinary income:	2	33
47	Federal income taxes		
48	State income taxes		
49	Other income taxes		
50	(557) Provision for deferred income taxes	101	142
51	Income from continuing operations	2,068	
	DISCONTINUED OPERATIONS		
51	(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)		
52	(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)		
	EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES		
53	(570) Extraordinary items (Net)		
54	(590) Income taxes on extraordinary items		
55	(591) Provision for deferred taxes - Extraordinary items		
56	Total extraordinary items (lines 53-55)		
57	(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$)		
58	Net income	2,068	262
	*Reconciliation of net railway operating income (NROI)		
59	Net revenues from railway operations	1,802	
60	(556) Income taxes on ordinary income	128	
61	(557) Provision for deferred income taxes	1101	
62	Income from lease of road and equipment	0	
63	Rent for leased roads and equipment	60	
64	Net railway operating income	1,759	
	**Report hereunder the charges to the revenue accounts representing payments made to other for—		
65	Terminal collection and delivery services when performed in connection with line-haul transportation of freight on the basis of freight tariff rates \$ 55		
	(a) Of the amount reported for "Net revenue from railway operations", 0 % (to nearest whole number) represents payments for collection and delivery of LCL freight either in TOFC trailers or otherwise. The percentage reported is (Check one): Actual (). Estimated ().		
66	Switching services when performed in connection with line-haul transportation of freight on the basis of switching tariffs and allowances out of freight rates, including the switching of empty cars in connection with a revenue movement \$ 27		
	Substitute highway motor service in lieu of line-haul rail service performed under tariffs published by rail carriers (does not include traffic moved on joint rail-motor rates):		
67	(a) Payments for transportation of persons \$ None		
68	(b) Payments for transportation of freight shipments \$ None		
	NOTE.—Gross charges for protective services to perishable freight, without deduction for any proportion thereof credited to Account No. 101, "Freight" (not required from switching and terminal companies):		
69	Charges for service for the protection against heat \$ 232		
70	Charges for service for the protection against cold \$ None		

220. RETAINED EARNINGS--UNAPPROPRIATED

1. Show hereunder the items of Retained Earnings 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.

4. Segregate in column (c) all amounts applicable to the equity in undistributed earnings (losses) of affiliated companies based on the equity method of accounting.

5. Line 3 (line 7 if debit balance), column (c), should agree with line 23, column (b), Schedule 210. The total of columns (b) and (c), lines 3 and 7, should agree with line 58, column (b), Schedule 210.

6. Include in column (b) only amounts applicable to retained earnings exclusive of any amounts included in column (c). (*Dollars in thousands*)

Line No.	Item (a)	Retained earnings--Unappropriated (b)	Equity in undistributed earnings (losses) of affiliated companies (c)
1	Balances at beginning of year	\$ 1,941	\$ None
2 (601.5)	Prior period adjustments to beginning retained earnings	None	None
CREDITS			
3 (602)	Credit balance transferred from earnings	2,068	
4 (603)	Appropriations released		
5 (606)	Other credits to retained earnings		
6	Total	2,068	None
DEBITS			
7 (612)	Debit balance transferred from income		
8 (616)	Other debits to retained income		
9 (620)	Appropriations for sinking and other reserve funds		
10 (621)	Appropriations for other purposes		
11 (623)	Dividends: Common stock		
12	Preferred stock ¹		
13	Total	None	None
14	Net increase (decrease) during year (Line 6 minus Line 13)	2,068	
15	Balances at close of year (Lines 1, 2 and 14)	4,009	
16	Balance from line 15(c)	0	X X X X X
17	Total unappropriated retained earnings and equity in undistributed earnings (losses) of affiliated companies at end of year	4,009	X X X X X
Remarks			
Amount of assigned Federal income tax consequences:			
18	Account 606	0	X X X X X
19	Account 616	0	X X X X X

¹ If any dividends have not been declared on cumulative preferred stock give cumulative undeclared dividends at beginning of year and end of year.

221. RETAINED EARNINGS—APPROPRIATED

Give an analysis in the form called for below of account No. 797. "Retained earnings—Appropriated." (Dollars in thousands)

Line No.	Class of appropriation (a)	Credits during year (b)	Debits during year (c)	Balance at close of year (d)
		\$	\$	\$
1	Additions to property through retained income			
2	Funded debt retired through retained income			
3	Sinking fund reserves	NOT APPLICABLE		
4	Incentive per diem funds			
5	Miscellaneous fund reserves			
6	Other appropriations (specify):			
7				
8				
9				
10				
11				
12				
13				
14				
15				
16	TOTAL			

230. CAPITAL STOCK

PART I. CAPITAL STOCK

1. Disclose in column (a) the particulars of the various issues of capital stock of the respondent, distinguishing separate issues of any general class, if different in any respect.
2. Present in column (b) the par or stated value of each issue. If none, so state.
3. Disclose in columns (c), (d), (e) and (f) the required information concerning the number of shares authorized, issued, in treasury and outstanding for the various issues.
4. For the purposes of this report, capital stock and other securities are considered to be nominally issued when certificates are signed and sealed and placed with the proper officer for sale and delivery or are pledged or otherwise placed in some special fund of the respondent. They

are considered to be actually issued when sold to a bona fide purchaser who holds them free from control by the respondent. All securities actually issued and not reacquired by or for the respondent are considered to be actually outstanding. If reacquired by or for the respondent under such circumstances as required them to be considered as held alive, and not canceled or retired, they are considered to be nominally outstanding.

5. If stock is being held subject to an exchange for the outstanding securities of constituent companies, then include such stock as outstanding stock, and disclose the details in footnotes.

6. Report dollars in thousands.

Line No.	Class of Stock (a)	Par Value (b)	Number of Shares				Book Value at End of Year	
			Authorized (c)	Issued (d)	In Treasury (e)	Outstanding (f)	Outstanding (g)	In Treasury (h)
1	Common 25,000	100	6-15-81	25,000	-	25,000	260	-
2								
3								
4	Preferred None							
5								
6								
7								
8								
9								
10	TOTAL	XXXXX	-	25,000	-	25,000	260	-

PART II. SUMMARY OF CAPITAL STOCK CHANGES DURING YEAR

1. The purpose of this part is to disclose capital stock changes during year.
2. Column (a) presents the items to be disclosed.
3. Columns (b), (d) and (f) require disclosures of the number of preferred, common and treasury stock, respectively, applicable to the items presented in column (a).
4. Columns (c), (e) and (g) requires the applicable disclosure of the book values of preferred, common and treasury stock.

5. Disclose in column (h) the additional paid-in capital realized from changes in capital stock during year.

6. Unusual circumstances arising from changes in capital stock changes shall be fully explained in footnotes to this schedule.

7. Report dollars in thousands.

Line No.	Items (a)	Preferred Stock		Common Stock		Treasury Stock		Additional Capital (h)
		Number of Shares (b)	Amount (c)	Number of Shares (d)	Amount (e)	Number of Shares (f)	Amount (g)	
11	Balance at beginning of year	-	\$ -	25,000	\$ 2,500	-	\$ -	\$ -
12	Capital Stock Sold ¹							
13	Capital Stock Reacquired							
14	Capital Stock Canceled							
15	Stock Dividends							
16	Balance at Close of Year	-	-	25,000	2,500	-	-	-

¹ By footnote state the purpose of the issue and authority.

240. STATEMENT OF CHANGES IN FINANCIAL POSITION

Give the information as requested concerning the source and application of funds during the year. Funds for the purpose of this schedule shall include all assets or financial resources even though a transaction may not directly affect cash or working capital. For example, the purchase of property in exchange for shares of stock or bonds would be an application of funds for invest-

ment in property provided by the issue of securities. Sources and uses of funds should be individually disclosed. For example, outlays for fixed assets should not be reported net of retirements.

Report dollars in thousands.

Line No.	Description (a)	Current year (b)	Prior year (c)
	SOURCES OF WORKING CAPITAL		
	Working capital provided by operations:	2,068	262
1	Net income (loss) before extraordinary items	-	1
	Add expenses not requiring outlay of working capital; (subtract) credits not generating working capital		
2	Retirement of nondepreciable property		
3	Loss (gain) on sale or disposal of tangible property	383	342
4	Depreciation and amortization expenses	101	142
5	Net increase (decrease) in deferred income taxes	0	0
6	Net decrease (increase) in parent's share of subsidiary's undistributed income for the year	128	(40)
7	Net increase (decrease) in noncurrent portion of estimated liabilities		11
	Other (specify):		
8	1) Rent accrued A/C 782: None cash expenditure		
9	2) Reduction of liab. set up in A/C 782 in prior years = (28)		(26)
10	Less; Amt. set up: Non cash expenditure		2
11	3) Bad debts recovered \$9 less amt. actually rec'd in cash (7)	(12)	(9)
12	4) Royalties paid to trustee		
13	Total working capital from operations before extraordinary items	2,668	685

240. STATEMENT OF CHANGES IN FINANCIAL POSITION - Continued

Line No.	Description (a)	Current year (b)	Prior year (c)
	SOURCES OF WORKING CAPITAL—Continued		
14	Add funds generated by reason of discontinued operations, extraordinary items, prior period adjustments, and changes in accounting principles	\$ 0	\$ 0
15	Total working capital from operations	2,668	685
	Working capital from sources other than operating:		
16	Proceeds from issuance of long-term liabilities		
17	Proceeds from sale/disposition of carrier operating property		
18	Proceeds from sale/disposition of other tangible property		
19	Proceeds from sale/repayment of investments advances		
20	Net decrease in sinking and other special funds		
21	Proceeds from issue of capital stock		
	Other (specify):		
22	Cost of Depreciable Property Retired 188		
23	Acc T Depr. on Property Retired 68		
24	Book Value 120		
25	Proceeds on Retirements 73		
26	Loss included in Reserve Accts. 47	(47)	0
27	Total working capital from sources other than operating		
28	Total sources of working capital	2,621	685

240. STATEMENT OF CHANGES IN FINANCIAL POSITION - Concluded

Line No.	Description (a)	Current year (b)	Prior year (c)
	APPLICATION OF WORKING CAPITAL	\$	\$
29	Amount paid to acquire/retire long-term liabilities	0	200
30	Cash dividends declared	0	0
31	Purchase price of carrier operating property	892	136
32	Purchase price of other tangible property	12	36
33	Purchase price of long-term investments and advances		
34	Net increase in sinking or other special funds		
35	Purchase price of acquiring treasury stock		
	Other (specify):		
36	Payment of Other Long Term Liab. Set-Up in A/C 782 in Prior Years		7
37			
38			
39			
40			
41			
42			
43			
44		904	379
45	Total application of working capital	1,717	306
46	Net increase (decrease) in working capital		

241. CHANGES IN WORKING CAPITAL

Compute the net changes in each element of working capital.
(Thousand dollar Reporting Rule)

Line No.	Item (a)	Current year (b)	Prior year (c)	Increase (Decrease) (d)
		\$ 5,198	\$ 4,963	\$ 235
1	Cash and temporary investments			
2	Net receivables	3	5	(2)
3	Prepayments	1,841	1,215	626
4	Materials and supplies	3,120	2,051	1,069
5	Other current assets not included above	0	0	0
6	Notes payable and matured obligations	333	310	23
7	Accounts payable	0	0	0
8	Current equipment obligations and other debt	3,152	2,964	188
9	Other current liabilities not included above	6,677	4,960	1,717
10	Net increase (decrease) in working capital			

300. ITEMS IN SELECTED CURRENT ASSET ACCOUNTS

If the amount in the captioned selected current asset accounts (Accounts 702, 703, 704, 708, 709, 710, 711, 712, and 713) exceeds 5% of total current assets, report the three largest items in the account or combined accounts and any other items exceeding

5% of current assets. Give a brief description of each item listed. In case the character of any item is not fully disclosed by the entries in the columns hereunder, make a full explanation in a footnote. (Dollars in thousands)

Line No.	Account No. (a)	Item (b)	Amount (c)
1	702	Certificates of Deposit: Nacional Financiera de Monterrey	\$ 400
2		Laredo National Bank	2,500
3		Corpus Christi State Bank	1,050
4		Bank of South Texas	100
5		Other Small Items under 5%	53
6			<u>\$4,103</u>
7			
8	703		None
9	704		None
10			
11	708	Accrued Interest Receivable on above CD's	\$ 124
12			
13	709	State of Texas - RR Crossing Work, etc.	\$ 121
14		Missouri Pacific Joint Facility bills	5
15		Pacific Fruit Express - Refrigeration, fuel, etc.	4
16		Other small items under 5%	3
17			<u>\$ 133</u>
18			
19	710	Southwestern Frt. Bureau - Prepaid Tariffs	\$ 2
20		Mexico City Agency - Office Cash Fund	1
21		Other Small Items under 5%	1
22			<u>\$ 4</u>
23			
24	711	Prepaid Insurance	\$ 3
25			
26	712	Material and Supplies Inventory for Railroad	<u>\$1,841</u>
27			
28			
29	713	Advanced Charges on Freight Bills not Reported	
30		Thru	<u>\$ 13</u>
31			
32			
33			
34			
35			
36			
37			

301. COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS

Using the following notes as a guideline, show the requirements compensating balances and short-term borrowing arrangements. Footnote disclosure is required even though the arrangement is not reduced to writing.

1. Disclose compensating balance, not legally restricted, lines of credit used and unused, average interest rate of short-term borrowings outstanding at balance sheet date, maximum amount of outstanding borrowings during the period and the weighted average rate of those borrowings.

2. Time deposits and certificates of deposit constituting compensating balances not legally restricted should be disclosed.

3. Compensating balance arrangements need only be disclosed for the latest fiscal year.

4. Compensating balances included in account 703, Special deposits, and in account 717, Other funds, should also be separately disclosed below.

5. Compensating balance arrangements are sufficiently material to require disclosure in footnotes when the aggregate of written and oral agreement balances amount to 15 percent or more of liquid assets (current cash balances, restricted and unrestricted plus marketable securities).

6. When a carrier is not in compliance with a compensating balance requirement, that fact should be disclosed along with stated and possible sanctions whenever such possible sanctions may be immediate (not vague or unpredictable) and material.

319. SECURITIES, ADVANCES, AND OTHER INTANGIBLES OWNED OR CONTROLLED THROUGH NONREPORTING SUBSIDIARIES—Continued

2. This schedule should include all securities, open account advances, and other intangible property owned or controlled by non-reporting companies as well as those owned or controlled by any other organization or individual whose action respondent is able to determine.

3. Investments in U.S. Treasury obligations may be combined in a single item.

4. Column (a), Class No., should show classifications as provided in General Instructions, Schedules 310 & 315.
(Dollars in thousands)

INVESTMENTS DISPOSED OF OR WRITTEN DOWN DURING YEAR		Extent of control	Names of subsidiaries in connection with things owned or controlled through them	Line No.
Book Value (e)	Selling price (f)			
\$ NONE	\$	%		1
				2
				3
				4
				5
				6
				7
				8
				9
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325. PROPERTY USED IN OTHER THAN CARRIER OPERATIONS

1. This schedule may be omitted unless (a) gross property used in other than carrier operations is more than 5% of total assets, or (b) net profit from noncarrier operations for the year amounts to 10% or more of income before extraordinary items.

2. Show separately (a) the three properties with the greatest asset value, and (b) the three properties with greatest revenues. Show also each property whose gross value exceeds 5% of total assets or whose net profit from noncarrier operations exceed 10% of income before extraordinary items. Other items may be combined on one line.

3. If any of the individual items of property shown in column (a) were acquired in consideration of stocks, bonds, and other evidence of debt, or in exchange for other property, enter in column (e) only the amount at which carried in respondent's books and in a footnote give a full description of the consideration actually paid. Also if the actual money cost to respondent is different from that shown in column (e), give particulars in a footnote.

4. In section B include in column (f) the gross amount of revenue or income included in account 506; in column (g), the gross amount of expenses (including depreciation) charged to accounts

Line No.	Item (Kind and location of property, and nature of business, if any) (a)	A. INVESTMENT (ACCOUNT 737)			
		Year of acquisition (b)	Charges during the year (c)	Credits during the year (d)	Balance of close of year (See ins. 3) (e)
1	Acme Warehouse	1947	\$	\$	\$ 130
2	Laredo, Texas				
3					
4	National Carloading Warehouse	1948			93
5	Laredo, Texas				
6					
7	"GIS" Warehouse	1976	2		414
8	Laredo, Texas				
9					
10	All Other Items	1931 - 1978			512
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22	Total	X X X X	2		1,149

NOTES AND REMARKS

Same properties were of greatest asset value and produced greatest revenue.

325. PROPERTY USED IN OTHER THAN CARRIER OPERATIONS--Continued

506 and 534; in column (h), the amount of taxes charged to accounts 535 and 544 for the year; and in column (i), the net profit or loss of columns (f) minus (g) and (h).

5. Any differences between the total of column (h) and the totals of accounts 535 and 544, and differences between the total of column (i) and the net total of accounts 506, 534, 535, and 544, of such accounts in Schedule 210, "Results of Operations", should be explained in a footnote.

6. In section C give an analysis of accumulated depreciation in account 738 for each item shown in column (a). Show in column

(n) the percentage or composite rate used by the respondent for computing the amount of depreciation credited to the account during the year. Any adjustments of importance included in columns (j) and (k) should be fully explained in a footnote.

7. The word "item" as herein used means a unit or composite of an investment in or operation of property such as a powerplant, a mine, an amusement park, etc., together with ancillary property or operations.

8. Report dollars in thousands.

B. REVENUES, INCOME, EXPENSES AND TAXES CREDITED AND DEBITED TO ACCOUNTS 506, 534, 535 AND 544 DURING THE YEAR				C. ACCUMULATED DEPRECIATION (ACCOUNT 738)					Line No.
Revenues or income (f)	Expenses (g)	Taxes (h)	Net profit for year (L loss) (i)	Credits during the year (j)	Debits during the year (k)	Balance at close of year (l)	Base (m)	Rates (n)	
\$ 18	\$ 2	\$ 2	\$ 14	\$ 2	\$	\$ 114	\$ 130	1.67%	1
									2
									3
12	2	1	9	2		72	93	1.67	4
									5
									6
35	7	5	23	7		14	414	1.67	7
									8
									9
20	12	4	4	6		111	386	1.67	10
									11
									12
									13
									14
									15
									16
									17
									18
									19
									20
									21
85	23	12	50	17	0	311	1,023	XXXXX	22

NOTES AND REMARKS

329. OTHER ASSETS AND OTHER DEFERRED DEBITS

If the amount in either the captioned Accounts 739, 741, 743, 744 "Other assets" account or the "Other deferred debit" account exceeds 5% of total assets, then report the three largest items in those respective amounts. Also report any single item exceeding 5%

of total assets. Give a brief description of each item. In case the character of any item is not fully disclosed by the entries in the columns hereunder, make a full explanation in a footnote. (*Dollars in thousands.*)

Line No.	Account No. (a)	Item (b)	Amount (c)
1			\$
2			
3			
4			
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			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			

INSTRUCTIONS CONCERNING RETURNS TO BE MADE IN SCHEDULE 330 AND 330A

1. Give particulars of balances at the beginning and close of the year and of all changes during the year in account No. 731, "Road and Equipment Property," and account No. 732, "Improvements on Leased Property," classified by primary accounts in accordance with the Uniform System of Accounts for Railroad Companies. If account No. 732 for road or for equipment is less than 5% of account No. 731 at the beginning and end of year, the corresponding portion of Schedule 330A may be omitted. The balances, by primary accounts, should, insofar as known, be stated in column (b) and all changes made during the year should be analyzed in columns (c) to (f), inclusive. Column (h) is the aggregate of columns (b) to (f), inclusive. Grand totals of columns (b) and (h) should equal the sum of accounts 731 and 732 for the respective periods; if not, full explanation should be made in a footnote.

2. In column (c) are to be shown disbursements made for the specific purpose of purchasing, constructing, and equipping new lines, and for the extension of old lines, as provided for in Instruction 2-1, "Items to be charged," of the Uniform System of Accounts for Railroad Companies, for such items.

3. In column (d) is to be shown the cost of a railway or portion thereof, acquired as an operating entity or system by purchase, merger, consolidation, reorganization, receivership sale or transfer, or otherwise.

4. In columns (c) and (e), should be included all entries covering expenditures for additions and betterments, as defined, whether replacing other property or not.

5. In column (f) should be entered all credits representing property sold, abandoned, or otherwise retired.

6. Both the debit and credit involved in each transfer, adjustment, or clearance, between road and equipment accounts, should be included in the column in which the item was initially

included; also the transfer of prior years' debits or credits from investment in road and equipment to operating expenses or other accounts, or vice versa, should be included in the column applicable to current items of like nature. Each such transfer, adjustment, or clearance should be fully explained when in excess of \$100,000.

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

8. Report on line 34 amounts not includible in the primary road accounts. The items reported should be briefly identified and explained under "Notes and Remarks," below. 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.

9. If during the year a segment of transportation property was acquired, state in a footnote the name of the vendor, the mileage acquired, 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.

10. If an amount of less than \$2000 is used as the minimum debit or credit for additions and betterments to property investment accounts as provided for in Instruction 2-2, of the Uniform System of Accounts for Railroad Companies, state in a footnote the amount used.

11. Show dollars in thousands.

NOTES AND REMARKS

330. ROAD AND EQUIPMENT PROPERTY (See Instructions)

Line No.	Account (a)	(Dollars in thousands) Balance at beginning of year (b)	Expenditures during the year for original road and equipment, and road extensions (c)	Expenditures during the year for purchase of existing lines, reorganizations, etc. (d)
1	(1) Engineering	\$ 71	\$	\$
2	(2) Land for transportation purposes	606		
3	(3) Grading	441		
4	(4) Other right-of-way expenditures	3		
5	(5) Tunnels and subways			
6	(6) Bridges, trestles, and culverts	490		
7	(7) Elevated structures			
8	(8) Ties	703		
9	(9) Rails	1,648		
10	(10) Other track material	952		
11	(11) Ballast	436		
12	(12) Track laying and surfacing	552		
13	(13) Fences, snowsheds, and signs	55		
14	(16) Station and office buildings	861		
15	(17) Roadway buildings	40		
16	(18) Water stations	4		
17	(19) Fuel stations	37		
18	(20) Shops and enginehouses	229		
19	(22) Storage warehouses			
20	(23) Wharves and docks			
21	(24) Coal and ore wharves			
22	(25) TOFC/COFC terminals			
23	(26) Communication systems	11		
24	(27) Signals and interlockers	92		
25	(29) Power plants			
26	(31) Power-transmission systems			
27	(35) Miscellaneous structures	3		
28	(37) Roadway machines	471		
29	(39) Public improvements—Construction	116		
30	(44) Shop machinery	93		
31	(45) Power-plant machinery			
32	Other (specify and explain)			
33	Total expenditures for road	7,914		
34	(52) Locomotives	2,538		
35	(53) Freight-train cars	2,319		
36	(54) Passenger-train cars			
37	(55) Highway revenue equipment			
38	(56) Floating equipment			
39	(57) Work equipment	27		
40	(58) Miscellaneous equipment	225		
41	Total expenditures for equipment	5,109		
42	(76) Interest during construction	104		
43	(77) Other expenditures—General	28		
44	Total general expenditures	132		
45	Total	13,155		
46	(80) Other elements of investment			
47	(90) Construction work in progress			
48	Grand Total	13,155		

330. ROAD AND EQUIPMENT PROPERTY (See Instructions)

Expenditures for addition and betterments during the year	Credits for property retired during the year	Net changes during the year	Balance at close of year	Line No.
(e)	(f)	(g)	(h)	
\$ 25	\$	\$ 25	\$ 71	1
			631	2
			441	3
			3	4
46		46	536	5
			703	6
5		5	1,653	7
8		8	960	8
			436	9
			552	10
			55	11
1		1	862	12
			40	13
4		4	8	14
			37	15
			229	16
				17
				18
				19
				20
				21
16		16	27	22
1		1	93	23
				24
				25
			3	26
62		62	533	27
			116	28
4		4	97	29
				30
				31
172		172	8,086	32
458	148	310	2,848	33
169	26	143	2,462	34
				35
				36
				37
			27	38
25	14	11	236	39
652	188	464	5,573	40
			104	41
			28	42
			132	43
824	188	636	13,791	44
				45
58		58	58	46
882	188	694	13,849	47
				48

330A. IMPROVEMENTS ON LEASED PROPERTY (See Instruction)

Line No.	Account (Dollars in thousands)	Balance at beginning of year	Expenditures during the year for original road and equipment, and road extensions	Expenditures during the year for purchase of existing lines, reorganizations, etc.
	(a)	(b)	(c)	(d)
1	(1) Engineering	\$	\$	\$
2	(2) Land for transportation purposes	NOT EQUAL TO FIVE PER CENT		
3	(3) Grading			
4	(4) Other right-of-way expenditures			
5	(5) Tunnels and subways			
6	(6) Bridges, restles, and culverts			
7	(7) Elevated structures			
8	(8) Ties			
9	(9) Rails			
10	(10) Other track material			
11	(11) Ballast			
12	(12) Track laying and surfacing			
13	(13) Fences, snowsheds, and signs			
14	(16) Station and office buildings			
15	(17) Roadway buildings			
16	(18) Water stations			
17	(19) Fuel stations			
18	(20) Shops and enginehouses			
19	(22) Storage warehouses			
20	(23) Wharves and docks			
21	(24) Coal and ore wharves			
22	(25) TOFC/COFC terminals			
23	(26) Communication systems			
24	(27) Signals and interlockers			
25	(29) Power plants			
26	(31) Power-transmission systems			
27	(35) Miscellaneous structures			
28	(37) Roadway machines			
29	(39) Public improvements—Construction			
30	(44) Shop machinery			
31	(45) Power-plant machinery			
32	Other (specify and explain)			
33	Total expenditures for road			
34	(52) Locomotives			
35	(53) Freight-train cars			
36	(54) Passenger-train cars			
37	(55) Highway revenue equipment			
38	(56) Floating equipment			
39	(57) Work equipment			
40	(58) Miscellaneous equipment			
41	Total expenditures for equipment			
42	(76) Interest during construction			
43	(77) Other expenditures—General			
44	Total general expenditures			
45	Total			
46	(80) Other elements of investment			
47	(90) Construction work in progress			
48	Grand Total			

330A. IMPROVEMENTS ON LEASED PROPERTY - Continued

Expenditures for additions and betterments during the year	Credits for property retired during the year	Net changes during the year	Balance at close of year	Line No.
(e)	(f)	(g)	(h)	
\$	\$	\$	\$	1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
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				31
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				33
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				35
				36
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				39
				40
				41
				42
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				44
				45
				46
				47
				48

332. ACCUMULATED DEPRECIATION - ROAD AND EQUIPMENT - OWNED AND USED

1. Disclose the required information in regard to credits and debits to Account No. 735, "Accumulated depreciation: road and equipment property," during the year relating to owned and used road and equipment. Include entries for depreciation of equipment owned but not used when the resulting rents are included in the "Lease Rentals - Credit - Equipment" accounts and Other Rents - Credit - Equipment" accounts. Exclude any entries for depreciation of equipment that is used but not owned when the resulting rents are included in "Lease Rental - Debit - Equipment" account and "Other Rents - Debit - Equipment" accounts (See Schedule 342 for the accumulated depreciation relating to road and equipment owned but not used by respondent.)

2. If any data are included in columns (d) or (f), explain the entries in detail.

3. A debit balance in columns (b) or (g) for any primary account should be designated "Dr."

4. If there is any inconsistency between the credits to the reserve as shown in column (c) and the charges to operating expenses, a full explanation should be given.

5. Enter amounts representing amortization under an authorized amortization program other than for defense projects on line 27.

6. Thousand dollar Reporting Rule.

Line No.	Account	Balance at beginning of year	CREDITS TO RESERVE During the year		DEBITS TO RESERVE During the year		Balance at close of year
			Charges to operating expenses	Other credits	Retirements	Other debits	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	ROAD						
1	(1) Engineering	21	1				22
2	(3) Grading	5					5
3	(4) Other, right-of-way	3					3
4	(5) Tunnels and subways						
5	(6) Bridges, trestles, and culverts	429	12				441
6	(7) Elevated structures						
7	(13) Fences, snow sheds, and signs	55					55
8	(16) Station and office buildings	237	13				250
9	(17) Roadway buildings	7	1				8
10	(18) Water stations	3					3
11	(19) Fuel stations	1					1
12	(20) Shops and enginehouses	3	1				4
13	(22) Storage warehouses						
14	(23) Wharves and docks						
15	(24) Coal and ore wharves						
16	(25) TOFC/COFC terminals						
17	(26) Communication systems	1					1
18	(27) Signals and interlockers	39	2				41
19	(29) Power plants						
20	(31) Power-transmission systems						
21	(35) Miscellaneous structures	1					1
22	(37) Roadway machines	271	22				293
23	(39) Public improvements - Construction	54	3				57
24	(44) Shop machinery*	11					11
25	(45) Power-plant machinery*						
26	All other road accounts						
27	Amortization (other than defense projects)						
28	Total road	1,141	55				1,196
	EQUIPMENT						
29	(52) Locomotives	1,517	108	65	148		1,542
30	(53) Freight-train cars	1,037	170	12	26		1,193
31	(54) Passenger-train cars						
32	(55) Highway revenue equipment						
33	(56) Floating equipment						
34	(57) Work equipment	11	1				12
35	(58) Miscellaneous equipment	133	24	2	14		145
36	Total equipment	2,698	303	79	188		2,892
37	GRAND TOTAL	3,839	358	79	188		4,088

*Chargeable to account 305.

335A. INVESTMENT IN RAILROAD PROPERTY USED IN TRANSPORTATION SERVICE (By Company)

1. Disclose the investment in railway property used in transportation service at the close of the year. This investment represents the aggregate of property owned or leased by the respondent and used in the respondent's transportation service. Such property includes: (a) the investment reported in accounts 731, "Road and equipment property," and 732, "Improvements on leased property," of the respondent less any 731 or 732 property leased to others for their exclusive use of road, tracks, or bridges (including equipment or other railway property covered by the contract). Equipment leased to others under separate distinct contracts shall not be deducted from the respondent's 731 or 732 property. (b) the investment of other companies' 731 or 732 property (including operating and lessor railroads) used by the respondent when the lease is for exclusive use or control of roads, tracks, or bridges (including equipment or other railway property covered by the contract). This excludes leased equipment from operating railroads under separate distinct contracts and the investment of other carriers in property jointly used by the respondent.

2. In column (a), classify each company in this schedule as respondent (R), lessor railroad (L), inactive or proprietary company (P), and other leased properties (O).

3. In columns (a) to (e), inclusive, first show the data requested for the respondent (R); next the data for companies whose entire properties are used in transportation service of the respondent, divided between lessor (L) and proprietary (P) companies; followed by data for carriers and others (O), portions of whose property are used in transportation service of the respondent. Show a total for each class of company. Then show, as deductions, data for transportation property leased to carriers and others.

4. In column (c), line-haul carriers report the miles of road used in line-haul service, and switching and terminal companies should report the miles of all tracks owned.

5. In column (d), show the amount applicable in accounts 731 and 732 on the books of the companies whose names appear in column (b). Values of property of other carriers segregated by estimate or otherwise should correspond in amount to the deductions made by the owners in their reports. If separate value is not available, explanations should be given. Differences between the amounts in column (d) of this schedule and the amounts shown in column (c), line 33, on the asset side of the comparative general balance sheet of each individual railway should be explained in a footnote. Book value included in accounts 731 and 732 of the owner should be reported in column (d) in reference to the investment of the respondent in the securities of the owner unless a good reason can be given for the contrary. Methods of estimating (by capitalizing rentals at 6 percent or otherwise) value of property of private owners, or portions of property of other carriers, should be explained.

6. In column (e), show the amount of depreciation and amortization accrued as of the close of the year in accounts 735, 736, and 785, that is applicable to the property of the carriers whose names are listed in column (b), regardless of where the reserves therefor are recorded.

7. Report dollars in thousands.

Line No.	Class (See Ins. 2)	Name of company	Miles of road owned (See Ins. 4)	Investments in property (See Ins. 5)	Depreciation and amortization of defense projects (See Ins. 6)
	(a)	(b)	(c)	(d)	(e)
1	R	The Texas Mexican Railway Company A/C 731	157.0	\$ 13,118	\$ 4,088
2					
3	R	The Texas Mexican Railway Company A/C 732		731	113
4					
5		Total "R" Line 1-3		13,849	4,201
6					
7					
8					
9	L	National Railways of Mexico		241	89
10					
11					
12					
13					
14					
15	O	Navy Department of the United States of			
16		America Lease of 19.11 miles of yard			
17		switching tracks from Flour Bluff			
18		Junction to Flour Bluff, Texas - Basis for			
19		rent paid 75¢ per revenue car handled			
20		over tracks.			
21		Rent paid in 1978 \$822			
22		Capitalized at 6%		13	None
23					
24					
25					
26	O	Nueces County Navigation District No. 1			
27		Use of tracks of Corpus Christi, Texas			
28		Basis for Rent paid			
29		1.60 per car on 28 line haul cars \$44.80			
30		.80 per car on 0 switch cars 0			
31		Rent paid in 1978 \$44.80			
32		Capitalized at 6%		1	None
33					
34					
35		Total "O" Lines 22 and 32			None
36					
37					
38					
39		TOTAL	157.0	14,104	4,290

335B. INVESTMENT IN RAILWAY PROPERTY USED IN TRANSPORTATION SERVICE
(By Property Accounts)

1. In columns (b) through (e) give, by primary accounts, the amount of investment at the close of the year in property of respondent and each group or class of companies and properties.

2. The amounts for respondent and for each group or class of companies and properties on line 50 herein, should correspond with the amounts for each class of company and properties shown in schedule 335. Continuing records shall be maintained by respondent of the primary property accounts separately for each company or property included in the schedule.

3. Report on line 32 amounts representing capitalization of rentals for leased property based on 6 percent per year where property is not classified by accounts by non-carrier owners, or where

cost of property leased from other carriers is not ascertainable. Identify non-carrier owners, and briefly explain methods of estimating value of property of non-carriers or property of other carriers.

4. Report on line 33 amounts not includible in the accounts shown, or in line 32. The items reported should be briefly identified and explained. Also include here those items after permission is obtained from the Commission for exceptions to prescribe 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.

5. Report dollars in thousands.

Line No.	Account (a)	Respondent (b)	Lessor railroads (c)	Inactive (proprietary companies) (d)	Other leased properties (e)
1	(1) Engineering	\$ 71	\$ 11	\$	\$
2	(2) Land for transportation purposes	631	101		
3	(3) Grading	441			
4	(4) Other right-of-way expenditures	3			
5	(5) Tunnels and subways				
6	(6) Bridges, trestles, and culverts	536	101		
7	(7) Elevated structures				
8	(8) Ties	703			
9	(9) Rails	1,653			
10	(10) Other track material	960			
11	(11) Ballast	436			
12	(12) Track laying and surfacing	552			
13	(13) Fences, snowsheds, and signs	55			
14	(16) Station and office buildings	862			
15	(17) Roadway buildings	40			
16	(18) Water stations	8			
17	(19) Fuel stations	37	1		
18	(20) Shops and enginehouses	229	16		
19	(22) Storage warehouses				
20	(23) Wharves and docks				
21	(24) Coal and ore wharves				
22	(25) TOFC/COFC terminals				
23	(26) Communication systems	27			
24	(27) Signals and interlockers	93			
25	(29) Power plants				
26	(31) Power-transmission systems		1		
27	(35) Miscellaneous structures	3			
28	(37) Roadway machines	533			
29	(39) Public improvements—Construction	116			
30	(44) Shop machinery	97	10		
31	(45) Power-plant machinery				
32	Leased property capitalized rentals (explain)				
33	Other (specify & explain)				14
34	Total expenditures for road	8,086	241		14
35	(52) Locomotives	2,848			
36	(53) Freight-train cars	2,462			
37	(54) Passenger-train cars				
38	(55) Highway revenue equipment				
39	(56) Floating equipment				
40	(57) Work equipment	27			
41	(58) Miscellaneous equipment	236			
42	Total expenditures for equipment	5,573			
43	(76) Interest during construction	104			
44	(77) Other expenditures—General	28			
45	Total general expenditures	132			
46	Total	13,791			
47	(80) Other elements of investment				
48	(90) Construction work in progress	58			
49	Grand Total	13,849	241		14

339. OTHER ELEMENTS OF INVESTMENT

1. Give particulars and explanation of all entries in account No. 80, "Other elements of investment," during the year.

2. In column (b) show the account number to which the entries in column (c) were credited and the account number to which the

entries in column (d) were charged. If more than one contra account is involved in an item, the amount applicable to each account and total for the item should be shown.

(Dollars in thousands)

Line No.	Item (a)	Contra account number (b)	Charges during the year (c)	Credits during the year (d)
1	NONE		\$	\$
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
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28				
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36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50	TOTALS	X X X		
51	NET CHANGES	X X X		

340. DEPRECIATION BASE AND RATES—ROAD AND EQUIPMENT LEASED TO OTHERS

1. This schedule is to be used in cases where the related depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in accounts 207 and 221.

2. Show in columns (b) and (c), for each primary account, the depreciation base used in computing the depreciation for the months of January and December, respectively, with respect to road and equipment owned by the respondent but leased to others, the depreciation charges for which are not includible in operating expenses of the respondent, but for which the depreciation reserve is recorded in the accounts of the respondent. If the base for road is other than the original cost or estimated original cost as found by the Commission's Bureau of Accounts, brought to a current date by the respondent from its Order No. 3 records and accounts, or is other than ledger value for equipment, a full explanation should be given.

3. In column (d) show the composite rates used in computing the depreciation for the month of December and on lines 28 and 36 of

this column show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary accounts composite rates to the depreciation base used in computing the depreciation for December and dividing the total so computed by the depreciation base.

4. If the depreciation base for accounts 1, 3, 4, 5, and 39 includes nondepreciable property, a statement to that effect should be made in a footnote.

5. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) affected.

6. If total road leased to others is less than 5% of total road owned, omit. If total equipment leased to others is less than 5% of total equipment owned, omit.

Line No.	Account (a)	DEPRECIATION BASE		Annual composite rate (percent) (d)
		Beginning of year (b)	Close of year (c)	
	ROAD	\$	\$	\$
1	(1) Engineering	NONE		
2	(3) Grading			
3	(4) Other right-of-way expenditures			
4	(5) Tunnels and subways			
5	(6) Bridges, trestles, and culverts			
6	(7) Elevated structures			
7	(13) Fences, snowsheds, and signs			
8	(16) Station and office buildings			
9	(17) Roadway buildings			
10	(18) Water stations			
11	(19) Fuel stations			
12	(20) Shops and enginehouses			
13	(22) Storage warehouses			
14	(23) Wharves and docks			
15	(24) Coal and ore wharves			
16	(25) TOFC/COFC terminals			
17	(26) Communication systems			
18	(27) Signals and interlockers			
19	(29) Power plants			
20	(31) Power transmission systems			
21	(35) Miscellaneous structures			
22	(37) Roadway machines			
23	(39) Public improvements—Construction			
24	(44) Shop machinery			
25	(45) Power-plant machinery			
26	All other road accounts			
27	Total road			
	EQUIPMENT			
28	(52) Locomotives	NONE		
29	(53) Freight-train cars			
30	(54) Passenger-train cars			
31	(55) Highway revenue equipment			
32	(56) Float equipment			
33	(57) Work equipment			
34	(58) Miscellaneous equipment			
35	Total equipment			
36	GRAND TOTAL			XXXX

342. ACCUMULATED DEPRECIATION-ROAD AND EQUIPMENT LEASED TO OTHERS

1. This schedule is to be used in cases where the depreciation reserve is carried in the accounts of the respondent and the rent therefrom is included in accounts 207 and 221.
2. Disclose credits and debits to Account 735, "Accumulated depreciation-road and equipment property," during the year relating to road and equipment leased to others, the depreciation charges for which are not includible in operating expenses of the respondent. (See Schedule 350 for the reserve relating to road and equipment owned and used by the respondent).
3. If any entries are made in "Other credits" and "Other debits," state the facts occasioning such entries. A debit balance in columns (b) or (g) for any primary account should be shown in parenthesis or designated "Dr."
4. Disclosures in the respective sections of this schedule may be omitted if either total road leased to others or total equipment leased to others represents less than 5% of total road owned or total equipment owned, respectively.
5. Thousand dollar Reporting Rule.

Line No.	Account	Balance at beginning of year	CREDITS TO RESERVE During the Year		DEBITS TO RESERVE During the Year		Balance at close of year
			Charges to others	Other credits	Retirements	Other debits	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	ROAD	\$	\$	\$	\$	\$	\$
1	(1) Engineering		NONE				
2	(3) Grading						
3	(4) Other right-of-way expen.						
4	(5) Tunnels and subways						
5	(6) Bridges, trestles, and culverts						
6	(7) Elevated structures						
7	(13) Fences, snow sheds, and signs						
8	(16) Station and office buildings						
9	(17) Roadway buildings						
10	(18) Water stations						
11	(19) Fuel stations						
12	(20) Shops and enginehouses						
13	(22) Storage warehouses						
14	(23) Wharves and docks						
15	(24) Coal and ore wharves						
16	(25) TOFC/COFC terminals						
17	(26) Communication systems						
18	(27) Signals and interlockers						
19	(29) Power plants						
20	(31) Power-transmission system						
21	(35) Miscellaneous structures						
22	(37) Roadway machines						
23	(39) Public improvements-Construction						
24	(44) Shop machinery						
25	(45) Power-plant machinery						
26	All other road accounts						
27	Total road						
	EQUIPMENT						
28	(52) Locomotives		NONE				
29	(53) Freight-train cars						
30	(54) Passenger-train cars						
31	(55) Highway revenue equipment						
32	(56) Floating equipment						
33	(57) Work equipment						
34	(58) Miscellaneous equipment						
35	Total equipment						
36	GRAND TOTAL						

350. DEPRECIATION BASE AND RATES—ROAD AND EQUIPMENT OWNED AND USED AND LEASED FROM OTHERS

1. Show in columns (b) and (e), for each primary account, the depreciation base used in computing the depreciation charges for the month of January and in columns (c) and (f) show the depreciation base used in computing the depreciation charges for the month of December; in columns (d) and (g) show the composite rates used in computing the depreciation charges for the month of December; and on lines 28 and 36 of these columns show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. The depreciation base should not include the cost of equipment used, but not owned, when the rents therefor are included in the rent for equipment and account Nos. 218 and 221. It should include the cost of equipment owned and leased to others when the rents therefrom are included in the rent for equipment accounts Nos. 219 and 221. The composite rates used should be those prescribed or otherwise authorized by the Commission, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized rates. If any changes in rates were effective during the year, give full particulars in a footnote.
2. All leased properties may be combined and one composite rate computed for each primary account, or a separate schedule may be included for each such property.
3. Show in columns (e), (f), and (g), data applicable to property, used but not owned, when the rent therefor is included in account Nos. 207 and 221.
4. If the depreciation base for accounts 1, 3, 4, 5, and 39 includes nondepreciable property, a statement to that effect should be made in a footnote.
5. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) affected.
6. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively.

Line No.	Account	OWNED AND USED			LEASED FROM OTHERS		
		Depreciation Base		Annual composite rate (percent)	Depreciation base		Annual composite rate (percent)
		At beginning of year	At close of year		At beginning of year	At close of year	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
		\$	\$	%	\$	\$	%
ROAD							
1	(1) Engineering	70	70	1.00	11	11	1.00
2	(3) Grading	437	437	.05			
3	(4) Other right-of-way expenditures	3	3	2.00			
4	(5) Tunnels and subways						
5	(6) Bridges, trestles, and culverts	536	536	2.00	101	101	2.00
6	(7) Elevated structures						
7	(13) Fences, snowsheds, and signs	55	55	2.00			
8	(16) Station and office buildings	851	856	1.67			
9	(17) Roadway buildings	40	40	3.00			
10	(18) Water stations	4	4	3.57			
11	(19) Fuel stations	40	40	2.50	1	1	2.50
12	(20) Shops and enginehouses	223	224	1.67	16	16	1.67
13	(22) Storage warehouses						
14	(23) Wharves and docks						
15	(24) Coal and ore wharves						
16	(25) TOFC/COFC terminals						
17	(26) Communications systems	11	26	2.50			
18	(27) Signals and interlockers	92	93	2.10			
19	(29) Power plants						
20	(31) Power transmission systems						
21	(35) Miscellaneous structures	3	3	3.33	1	1	-
22	(37) Roadway machines	455	517	4.50			
23	(39) Public improvements— Construction	81	81	3.65			
24	(44) Shop machinery	93	95	2.0	10	10	2.00
25	(45) Power plant machinery						
26	All other road accounts						
27	Amortization (other than defense projects)						
28	Total road	2,994	3,080	2.08	140	140	1.87
EQUIPMENT							
29	(52) Locomotives	2,537	2,847	4.09			
30	(53) Freight-train cars	2,326	2,463	7.08			
31	(54) Passenger-train cars						
32	(55) Highway revenue equipment						
33	(56) Floating equipment						
34	(57) Work equipment	24	24	5.52			
35	(58) Miscellaneous equipment	153	175	14.50			
36	Total equipment	5,040	5,509	5.79			
37	GRAND TOTAL	8,034	8,589	5.76	140	140	1.87

351. DEPRECIATION BASE AND RATES—IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS

1. Show in column (b) for each primary account, the depreciation base used in computing the depreciation charges for the month of January and in column (c) show the depreciation base used in computing the depreciation charges for the month of December in column (d) show the composite rates used in computing the depreciation charges for the month of December, and on lines 29 and 37 of these columns show the composite percentage for all road and equipment accounts, respectively, ascertained by applying the primary account composite rates to the depreciation base used in computing the charges for December and dividing the total so computed by the total depreciation base for the same month. This schedule should include only improvements to leased property charged to account 732, "Improvements on leased property." The composite rates used should be those prescribed or otherwise authorized by the Commission, except that where the use of component rates has been authorized, the composite rates to be shown for the respective primary accounts should be recomputed from the December charges developed by the use of the authorized

rates. If any charges in rates were effective during the year, give full particulars in a footnote.

2. All improvements to leased properties may be combined and one composite rate computed for each primary account or a separate schedule may be included for each such property.

3. If the depreciation base for accounts 1, 3, 4, 5, and 39 includes nondepreciable property, a statement to that effect should be made in a footnote.

4. If depreciation accruals have been discontinued for any account, the depreciation base should be reported, nevertheless, in support of depreciation reserves. Authority for the discontinuance of accruals should be shown in a footnote indicating the account(s) affected.

5. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively.

Line No.	(Dollars in thousands) Account (a)	Depreciation base		Annual composite rate (percent) (d)
		At beginning of year (b)	At close of year (c)	
	ROAD	\$	\$	%
1	(1) Engineering	2	2	1.00
2	(3) Grading	17	17	-
3	(4) Other right-of-way expenditures			
4	(5) Tunnels and subways			
5	(6) Bridges, trestles and culverts	7	7	2.00
6	(7) Elevated structures			
7	(13) Fences, snowsheds, and signs			
8	(16) Station and office buildings	82	82	1.67
9	(17) Roadway buildings	9	9	3.00
10	(18) Water stations	1	1	3.57
11	(19) Fuel stations	36	36	2.50
12	(20) Shops and enginehouses	201	201	1.67
13	(22) Storage warehouses			
14	(23) Wharves and docks			
15	(24) Coal and ore wharves			
16	(25) TOFC/COFC terminals			
17	(26) Communications systems			
18	(27) Signals and interlockers	14	14	2.0
19	(29) Power plants			
20	(31) Power transmission systems			
21	(35) Miscellaneous structures			
22	(37) Roadway bines			
23	(39) public improvements Construction			
24	(44) Shop machinery	78	81	2.00
25	(45) Power plant machinery			
26	All other road accounts			
27	Amortization (other than defense projects)			
28	Total road	447	450	1.78
	EQUIPMENT			
29	(52) Locomotives			
30	(53) Freight-train cars			
31	(54) Passenger-train cars			
32	(55) Highway revenue equipment			
33	(56) Floating equipment			
34	(57) Work equipment			
35	(58) Miscellaneous equipment			
36	Total equipment			
37	GRAND TOTAL	447	450	1.78

352. ACCUMULATED DEPRECIATION-IMPROVEMENTS TO ROAD AND EQUIPMENT LEASED FROM OTHERS

1. Enter the required information concerning debits and credits to Account 733, "Accumulated depreciation-improvements on leased property," during the year relating to improvements made to road and equipment property leased from others, the depreciation charges for which are included in operating expenses of the respondent.

2. If any entries are made for column (d) "Other credits" or column (f) "Other debits," state the facts occasioning such entries. A debit balance in column (b) or (g) for any primary account should be shown in parentheses or designated "Dr."

3. Any inconsistency between the credits to the reserve as shown in column (c) and the charges to operating expenses should be fully explained.

4. Show in column (e) the debits to the reserve arising from retirements.

5. Disclosures in the respective sections of this schedule may be omitted if either total road leased from others or total equipment leased from others represents less than 5% of total road owned or total equipment owned, respectively.

6. Thousand dollar Reporting Rule.

Line No.	Account	Balance at beginning of year	CREDITS TO RESERVE During the Year		DEBITS TO RESERVE During the Year		Balance at close of year
			Charges to others	Other credits	Retirements	Other debits	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	ROAD	\$	\$	\$	\$	\$	\$
1	(1) Engineering	1					1
2	(3) Grading						
3	(4) Other right-of-way expen.						
4	(5) Tunnels and subways						
5	(6) Bridges, trestles, and culverts	3					3
6	(7) Elevated structures						
7	(13) Fences, snow sheds, and signs						
8	(16) Station and office buildings	-5	1				-4
9	(17) Roadway buildings	2					2
10	(18) Water stations						
11	(19) Fuel stations	5	1				5
12	(20) Shops and enginehouses	53	3				56
13	(22) Storage warehouses						
14	(23) Wharves and docks						
15	(24) Coal and ore wharves						
16	(25) TOFC/COFC terminals						
17	(26) Communication systems						
18	(27) Signals and interlockers	5	1				6
19	(29) Power plants						
20	(31) Power-transmission systems						
21	(35) Miscellaneous structures						
22	(37) Roadway machines						
23	(39) Public improvements-Construction						
24	(44) Shop machinery	42	1				43
25	(45) Power-plant machinery						
26	All other road accounts						
27	Total road	106	7				113
	EQUIPMENT						
28	(52) Locomotives						
29	(53) Freight-train cars						
30	(54) Passenger-train cars						
31	(55) Highway revenue equipment						
32	(56) Floating equipment						
33	(57) Work equipment						
34	(58) Miscellaneous equipment						
35	Total equipment						
36	GRAND TOTAL	106	7				113

355. ACCRUED LIABILITY - LEASED PROPERTY

1. Disclose the required information relating to credits and debits of Account 772, "Accrued liability-leased property," during the year concerning road and equipment leased from others.

2. In column (c), enter amounts charged to operating expenses; in column (e), enter debits to account arising from retirements; in column (f), enter amounts paid to lessor.

3. Any inconsistencies between credits to account, charges to operating expenses and payments to lessors should be fully explained.

4. Required disclosure may be omitted if leased road and equipment property represents 5% or less of total property owned and used.

5. If settlement for depreciation is made currently between lessee and lessor, and no debits or credits to account No. 772 are made by the accounting company, show in column (c) the charges to operating expenses and in column (f) show payments made to the lessor in settlement thereof.

6. Dollars in thousands.

Line No.	Account (a)	Balance at beginning of year (b)	CREDITS TO RESERVE During the Year		DEBITS TO RESERVE During the Year		Balance at close of year (g)
			Charges to operating expenses (c)	Other credits (d)	Retirements (e)	Other debits (f)	
	ROAD	\$	\$	\$	\$	\$	\$
1	(1) Engineering	7					7
2	(3) Grading						
3	(4) Other right-of-way expen.						
4	(5) Tunnels and subways						
5	(6) Bridges, trestles, and culverts	54	2				56
6	(7) Elevated structures						
7	(13) Fences, snow sheds, and signs						
8	(16) Station and office buildings						
9	(17) Roadway buildings						
10	(18) Water stations						
11	(19) Fuel stations	1					1
12	(20) Shops and enginehouses	14					14
13	(22) Storage warehouses						
14	(23) Wharves and docks						
15	(24) Coal and ore wharves						
16	(25) TOFC/COFC terminals						
17	(26) Communication systems						
18	(27) Signals and interlockers						
19	(29) Power plants						
20	(31) Power-transmission systems	1					1
21	(35) Miscellaneous structures						
22	(37) Roadway machines						
23	(39) Public improvements - Construction						
24	(44) Shop machinery	10					10
25	(45) Power-plant machinery						
26	All other road accounts						
27	Amortization (other than defense projects)						
28	Total road	87	2				89
	EQUIPMENT						
29	(52) Locomotives						
30	(53) Freight-train cars						
31	(54) Passenger-train cars						
32	(55) Highway revenue equipment						
33	(56) Floating equipment						
34	(57) Work equipment						
35	(58) Miscellaneous equipment						
36	Total equipment	0					0
37	GRAND TOTAL	87	2				89

360. LEASES—GENERAL INSTRUCTIONS AND DEFINITIONS

A. General Instructions

Disclose in the following schedules the required information concerning leases of the respondent:

- Schedule 361 — Capitalized Capital Leases
- 362 — Noncapitalized Capital Leases
- 363 — Operating Leases
- 364 — Lessee Disclosures

Under Docket No. 36604, "Accounting for Leases," the Commission established guidelines for capitalizing all leases entered into after 1/1/77, which meet the criteria of a capital lease. (See 49 CFR 1201, Instruction 2-26). These leases shall be properly disclosed in Schedule 361, "Capitalized Capital Leases." However, for all leases in effect on 12/31/76, respondents may either capitalize these leases immediately or phase in the capitalization requirements through 12/31/80. Thereafter, all capital leases must be capitalized. Noncapitalized capital leases, if any, for this reporting year shall properly be disclosed in Schedule 362, "Noncapitalized Capital Leases."

A general description of the lessee's leasing arrangements shall be included to effect full and complete disclosures. Among the items to be disclosed are:

- The basis on which contingent rental payments are determined.
- The existence and terms of renewal or purchase options and escalation clauses.
- Restrictions imposed by lease agreements, such as those concerning dividends, additional debt, and further leasing.

These and other disclosures shall be included in Schedule 364 and attachments thereto, if necessary.

B. Definitions

(1) **Capital Leases** are those leases which meet one or more of the following four criteria:

- The lease transfers ownership of the property to the lessee by the end of the lease term.
- The lease contains a bargain purchase option.
- The lease term is equal to 75 percent or more of the estimated economic life of the property, and
- The present value at the beginning of the lease term of the minimum lease payments equals or exceeds 90 percent of the fair value of the leased property to the lessor at the inception of the lease less any related investment tax credit retained by the lessor.

(2) **Operating leases** are those leases which do not meet any of the four criteria pertaining to capital leases.

(3) **Minimum lease payments** are the payments that the lessee is obligated to make or can be required to make in connection with the leased property. Executory costs such as insurance, maintenance and taxes in connection with the leased property shall be excluded from minimum lease payments.

(4) **Present value minimum lease payments** are lease payments that the lessee is obligated to make or can be required to make, exclusive of executory cost. Moreover, these payments are reduced by amounts representing interest, calculated at the companies' incremental borrowing rate or the implicit rate computed by the lessor.

(5) **Noncancelable lease/sublease** is one that has an initial or remaining term of one year or more and is noncancelable, or is cancelable only upon the occurrence of some remote contingency or upon the payment of a substantial penalty.

(6) **Contingent rentals**, for the purposes of this report, are rentals paid during the reporting year which depend on some factor other than the passage of time such as rentals based on usage or sales.

362. NONCAPITALIZED CAPITAL LEASES

PART I. PRESENT VALUE OF MINIMUM LEASE PAYMENTS

Disclose total lease payments for the years shown. Then, disclose amounts representing (1) executory costs and (2) interest to derive the present values of minimum lease payments. An ex-

planation indicating how the rate of interest was derived for computing present value shall be included in Schedule 364. Report dollars in thousands.

Line No.	Item (a)	Current year (b)	Year 2 (c)	Year 3 (d)	Year 4 (e)	Year 5 (f)	Later years (g)	Total (h)
1	Lease payments	\$ None	\$	\$	\$	\$	\$	\$
	Less: Executory costs:							
2	- Taxes							
3	- Maintenance							
4	- Insurance							
5	- Other							
6	Total executory costs (2-5)							
7	Minimum lease payments (1-6)							
8	Less: Amount representing interest							
9	Present value of minimum lease payments (line 7, 8)							

PART II. TOTAL RENTAL EXPENSES

Complete this part if gross rental expense in the most recent reporting year exceeds one per cent of operating revenue. Otherwise, show total rental expenses reduced by rentals from sub-

leases for the current year. Also, show amounts expected to be received on all noncancelable sublease rentals for the year beginning after the current year as required.

Line No.	Item (a)	Current year (b)	Year 2 (c)	Year 3 (d)	Year 4 (e)	Year 5 (f)	Later years (g)	Total (h)
10	Present value of minimum lease payments from Part I above	\$	\$	\$	\$	\$	\$	\$
11	Contingent rentals		XXXX	XXXX	XXXX	XXXX	XXXXXX	XXXXXX
12	Minimum noncancelable sublease rentals		XXXX	XXXX	XXXX	XXXX	XXXXXX	XXXXXX
13	Net rental expense		XXXXXX	XXXX	XXXX	XXXX	XXXXXX	XXXXXX

362. NONCAPITALIZED CAPITAL LEASES—Continued

PART III. INCOME IMPACT

1. If the impact on net income is less than three percent of the average net income for the most recent three years, a statement to this effect will suffice to complete this schedule. Otherwise, show the impact on net income for each period for which an income statement is presented if all noncapitalized financing leases were capitalized, related assets were amortized on a straight-line

basis and interest cost was accrued on the basis of the outstanding lease liability. The amounts of amortization and interest cost shall be separately identified.

2. In calculating average net income, loss-years should be excluded. If losses were incurred in each of the most recent three years, the average loss shall be used for purposes of this test.

Line No.	Item (a)	Current year (b)	Prior year (c)
14	Amortization of lease rights		
15	Interest	\$	\$
16	Rent expense		
17	Income tax expense		
18	Impact (reduction) on net income		

PART IV. CLASSES OF CAPITAL LEASES

1. Complete this part only if the present values of the minimum lease commitments are more than five percent of the sum of the long-term debt due after one year. Otherwise, show the present

value of minimum lease commitments in the aggregate for the major classes of properties presented.

Line No.	Classes of leased property (a)	Present value	
		Current year (b)	Prior year (c)
19	Structures		
20	Revenue equipment	\$	\$
21	Shop and garage equipment		
22	Service cars and equipment		
23	Noncarrier operating property		
24	Other: (Specify)		
25			
26			

363. OPERATING LEASES

PART I. FUTURE MINIMUM RENTAL PAYMENTS

1. Disclose the total minimum lease payments required, reduced by sublease rentals, for the years shown relating to operating leases.

Line No.	Items (a)	Current year (b)	Year 2 (c)	Year 3 (d)	Year 4 (e)	Year 5 (f)	Later years (g)	Total (h)
1	Minimum lease payments required	\$ 31	\$ 17	\$ 3	\$ 0	\$ 0	\$ 0	\$ 51
2	Minimum noncancelable sublease rentals	0	0	0	0	0	0	0
3	Net minimum lease payments	31	17	3	0	0	0	51

PART II. TOTAL RENTAL

1. Show the composition of total rental expense for all operating leases for the current and preceding years. See Schedule 360 for definitions of the terms.

Line No.	Expenses (a)	Current year (b)	Prior year (c)
4	Minimum lease payments required	\$	\$
5	Contingent rentals		
6	Less: Sublease rentals	40	57
7	Total rental expense	40	57

364. LESSEE DISCLOSURE

Complete this schedule only if gross rental expense in the most recent fiscal year exceeds one percent of operating revenue.

Relate in general terms: (a) the basis for calculating rental payments if dependent upon factors other than the lapse of time; (b) existence and terms of renewal or purchase options, escalation clauses, etc.; (c) the nature and amount of related guarantees made or obligations assumed; (d) restrictions on paying dividends, incurring additional debt, further leasing, etc.; and, (e) any other information necessary to assess the effect of lease commitments upon the financial position, results of operations, and changes in financial position of the lessee.

Line
No.

(a)

1 Monthly rates on leased freight cars are subject to reductions by the number of
2 miles a car traveled that month at a given rate per mile.
3
4
5
6
7
8

(b)

9 Renewal options are not mandatory; there are no purchase options and no escalation
10 clauses other than by mutual consent.
11
12
13
14
15
16

(c)

17 Repairs and damages due to lessee negligence shall be borne by the lessee. Charges
18 paid by the Lessor to foreign lines for excess empty freight car mileage shall be
19 reimbursable by the Lessee.
20
21
22
23
24

(d)

25 None
26
27
28
29
30
31
32

(e)

33 None
34
35
36
37
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39
40

370. ITEMS IN SELECTED CURRENT LIABILITY ACCOUNTS

1. For accounts Nos. 751, "Loans and notes payable", 759, "Accrued accounts payable", and 763, "Other current liabilities", if the total of any such account exceeds 5% of total current liabilities, report the three largest items, and any other items which exceed 5% of current liabilities.

2. Show character of loans and notes, with name of creditor

(or class of creditors), dates of issue and maturity, and appropriate description for each class of accrued accounts payable and for the other current liabilities.

3. Make full disclosure of the character of each item reported. (Dollars in thousands)

Line No.	Account No. (a)	Item (b)	Amount (c)
1	751	None	
2			\$ None
3	759	Accrued Vacations Pay	310
4	759	Joint Facility Bills Due to Other Roads @ 12-31-78	23
5			<u>\$333</u>
6			
7			
8	763	Prepaid Charges Not Reported Thru	<u>\$459</u>
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379. OTHER LONG-TERM LIABILITIES AND OTHER DEFERRED CREDITS

If the caption "Other long-term liabilities and deferred credits" (accounts 771, 772, 774, 775, 782, and 784) exceeds 5% of total (current and noncurrent) liabilities, report the three largest items,

and each other item amounting to 5% or more of total liabilities. Disclose fully the nature of each item reported. (Dollars in thousands)

Line No.	Account No. (a)	Item (b)	Amount (c)
1	771	None	\$ None
2			
3	772	Accrued Liability on Leased Property (Depr.)	\$ 89
4			
5	774	None	None
6			
7	775	None	None
8			
9	782	National Railways of Mexico - Rent of Equip. & Road Prop.	\$ 654
10		- Funds Advanced for Additions and	
11		Betterments	154
12		- Interest unpaid	94
13		- Salvage and change of track gauge	
14		proceeds.	28
15			
16		Corpus Christi Industrial Properties - Spur Track Cost Due Them	64
17			
18			
19		Small Items less than 5% of Total	31
20			<u>\$1,025</u>
21			
22			
23			
24			
25	784	Best Block - Rail Siding	\$ 7
26			
27			
28			
29			
30			
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33			
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380. FUNDED DEBT UNMATURED

Give particulars of the various issues of securities in accounts Nos. 764, "Equipment obligations and other debt due within one year" (excluding equipment obligations), and 765, "Funded debt unmatured," at close of the year. Funded debt, as here used, comprises all obligations maturing later than one year after date of issue in accordance with the instructions in the Uniform System of Accounts for Railroad Companies. Show each issue separately, and

make all necessary explanations in footnotes. For the purposes of this report, securities are considered to be *actually issued* when sold to a bona fide purchaser for a valuable consideration, and such purchaser holds free from control by the respondent. All securities actually issued and not reacquired by or for the respondent are considered to be *actually outstanding*. It should be noted that section 20a of the Interstate Commerce Act makes it unlawful for a

carrier to issue or assume any securities, unless and until, and then only to the extent that, the Commission by order authorizes such issue or assumption. Entries in columns (k) and (l) should include interest accrued on funded debt reacquired, matured during the year, even though no portion of the issue is outstanding at the close of the year.

Line No.	Name and character of obligation	Nominal date of issue	Interest provisions		Dates due	Total amount nominally and actually issued	Nominally issued and held by or for respondent (Identify pledged securities by symbol "P")	Total amount actually issued	Reacquired and held by or for respondent (Identify pledged securities by symbol "P")	Actually outstanding at close of year	Interest during year	
			Date of maturity	Rate percent per annum							Accrued	Actually paid
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1	Acct. 765 "Funded Debt	7-1-76	6-30-86	7-1/2%	Annual	\$400	\$None	\$ 400	\$ None	\$ 320	\$ 12	\$ 27
2	Unmatured" Note Payable											
3	For Real Estate to L.F.											
4	Villegas				Total	400	None	400	None	320	12	27
5	Funded debt canceled: Nominally issued, \$		None					Actually issued, \$	None			
6	Purpose for which issue was authorized †		None									

381. RECEIVERS' AND TRUSTEES' SECURITIES

Give particulars of evidences of indebtedness issued and payment of equipment obligations assumed by receivers and trustees under orders of a court as provided for in account No. 767, "Receivers' and trustees' securities." For definition of securities actually issued and actually outstanding, see instructions for schedule.

Line No.	Name and character of obligation	Nominal date of issue	Date of maturity	Interest provisions		Total par value authorized †	Total par value held by or for respondent at close of year		Total par value actually outstanding at close of year	Interest during year	
				Rate percent per annum	Dates due		Nominally issued	Nominally outstanding		Accrued	Actually paid
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	None					\$	\$	\$	\$	\$	\$
2											
3											
4					Total						

† By the State Board of Railroad Commissioners, or other public authority, if any, having control over the issue of securities; if no public authority has such control, state the purpose and amounts as authorized by the board of directors and approved by stockholders.

390. AMOUNTS PAYABLE TO AFFILIATED COMPANIES

Give full particulars of amounts payable by the respondent to affiliated companies, as defined in connection with account No. 769, "Amounts payable to affiliated companies," in the Uniform System of Accounts for Railroad Companies. If any such amounts are evidenced by notes, each note should be separately shown in column (a). Entries in columns (c) and (f) should include interest

accruals and interest payments on debt retired during the year, even though no portion of the debt remained outstanding at the close of the year. Show, also, in a footnote, particulars of interest charged to cost of property.
(Dollars in thousands)

Line No.	Name of creditor company (a)	Rate of interest (b)	Balance at beginning of year (c)	Balance at close of year (d)	Interest accrued during year (e)	Interest paid during year (f)
1	NONE	\$	\$	\$	\$	\$
2						
3						
4						
5						
6						
7						
8						
9						
10	TOTAL					

NOTES AND REMARKS

* Respondents required to file Annual Report Supplement Corporate Disclosure are not subject to the reporting requirements of this schedule. See "Instructions for Preparing this Report", Note E.

410. RAILWAY OPERATING EXPENSES

State the railway operating expenses on respondent's road for the year, classifying them in accordance with the Uniform System of Accounts for Railroad Companies, and allocate the common operating expenses in accordance with the Commission's rules governing the separation of such expenses between freight and passenger services.

Line No.	Items (a)	Labor (b)	Material (c)	Other (d)
1	201 Administration	\$ 70	\$ 1	\$ 11
2	202 Repair and Maintenance, Roadway	822	584	103
3	203 Repair and Maintenance, Structure	57	54	68
4	204 Joint Facilities - Dr.	N/A	N/A	10
5	205 Joint Facilities - Cr.	N/A	N/A	(204)
6	206 Casualties and Insurance	N/A	N/A	17
7	207 Other Expenses	1	3	305
8	208 Depreciation	N/A	N/A	64
9	Total way and structures	950	642	374
	Equipment:			
10	211 Administration	70	1	7
11	212 Repair and Maintenance, Machinery	6	3	1
12	213 Repair and Maintenance, Locomotives	153	73	8
13	214 Repair and Maintenance, Cars	305	122	(311)
14	215 Repair and Maintenance, Other Equipment	27	64	(2)
15	216 Joint Facilities - Dr.	N/A	N/A	27
16	217 Joint Facilities - Cr.	N/A	N/A	(122)
17	218 Equipment Rents - Dr.	N/A	N/A	1,436
18	219 Equipment Rents - Cr.	N/A	N/A	(14)
19	220 Casualties and Insurance	N/A	N/A	9
20	221 Other Expenses	-	1	183
21	222 Depreciation	N/A	N/A	304
22	Total equipment	561	264	1,526
	Transportation:			
23	231 Administration	541	1	39
24	232 Road Crews	407	-	-
25	233 Road Fuel and Power	0	322	-
26	234 Other Road Expenses	176	23	37
27	235 Joint Facilities - Road - Dr.	N/A	N/A	9
28	236 Joint Facilities - Road - Cr.	N/A	N/A	(1)

410. RAILWAY OPERATING EXPENSES—Continued

Line No.	Items (a)	Labor (b)	Material (c)	Other (d)
29	242 Yard Crews	\$ 1,092	\$ -	\$ 9
30	243 Yard Fuel and Power	-	112	-
31	244 Other Yard Expenses	111	27	37
32	245 Joint Facilities - Yard - Dr.	N/A	N/A	67
33	246 Joint Facilities - Yard - Cr.	N/A	N/A	639
34	252 Specialized Services Operations	-	-	1
35	253 Administrative Support Operations	479	13	67
36	255 Joint Facilities - Other Transportation - Dr.	N/A	N/A	1
37	256 Joint Facilities - Other Transportation - Cr.	N/A	N/A	-
38	257 Loss and Damage Claims	N/A	N/A	36
39	258 Casualties and Insurance	N/A	N/A	43
40	259 Other Expenses	13	5	638
41	Total transportation	2,819	503	344
	General and Administrative:			
42	271 Administration	415	55	106
43	272 Administrative Operations	405	40	127
44	273 Joint Facilities - Dr.	N/A	N/A	-
45	274 Joint Facilities - Cr.	N/A	N/A	-
46	275 Casualties and Insurance	N/A	N/A	15
47	276 Other Expenses	1	24	229
48	277 Uncollectible Accounts	N/A	N/A	-
49	278 Property and Other Taxes	N/A	N/A	324
50	Total general and administrative	821	119	801
51	Grand total	5,151	1,528	3,045

450. ANALYSIS OF FEDERAL INCOME TAXES

1. In column (a) are listed the particulars which most often cause a differential between taxable income and pretax accounting income. Other particulars which cause such a differential should be listed under the caption "Other", including State and other taxes deferred if computed separately. Minor items each less than \$100,000 may be combined in a single entry under "Other".

2. Indicate in column (b) the beginning of the year total of accounts 714, 744, 762 and 786 applicable to each particular item in column (a).

3. Indicate in column (c) the net change in accounts 714, 744, 762 and 786 for the net tax effect of timing differences originating and reversing in the current accounting period.

4. Indicate in column (d) any adjustments, as appropriate, including adjustments to eliminate or reinstate deferred tax effects (credits or debits) due to applying or recognizing a loss carry-forward or a loss carry-back.

5. The total of line 10 in columns (c) and (d) should agree with the total of the contra charges (credits) to account 557, provision for deferred taxes, and account 591, provision for deferred taxes—extraordinary items, for the current year.

6. Indicate in column (e) the cumulative total of columns (b), (c), and (d). The total of column (e) must agree with the total of accounts 714, 744, 762 and 786.

Report dollars in thousands.

Line No.	Particulars (a)	Beginning of Year Balance (b)	Net Credits (Charges) for Current Year (c)	Adjustments (d)	End of Year Balance (e)
1	Accelerated depreciation, Sec. 167 I.R.C.: Guideline lives pursuant to Rev. Proc. 62-21.	\$ 139	\$ (6)	\$	\$ 133
2	Accelerated amortization of facilities Sec. 168 I.R.C.				
3	Accelerated amortization of rolling stock, Sec. 184 I.R.C.	324	64		388
4	Amortization of rights of way, Sec. 185 I.R.C.	6	4		10
5	Other (Specify) ADR Depreciation	282	39		321
6					
7	Beg. of Fr. Diff-Est. Deferred Tx	(100)			(100)
8					
9	Investment tax credit*				
10	TOTALS	651	101		752

*Footnotes:

11. If flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit \$ 1,529
12. If deferral method for investment tax credit was elected:
- (1) Indicate amount of credit utilized as a reduction of tax liability for current year \$ None
- (2) Deduct amount of current year's credit applied to reduction of tax liability but deferred for accounting purposes \$ None
- (3) Balance of current year's credit used to reduce current year's tax accrual \$ None
- (4) Add amount of prior year's deferred credits being amortized to reduce current year's tax accrual \$ None
- (5) Total decrease in current year's tax accrual resulting from use of investment tax credits \$ None

451. RAILWAY TAX ACCRUALS

1. In Sections A and B show the particulars called for with respect to net accruals of taxes on railroad property, and U.S. Government taxes.

2. Report dollars in thousands.

A. Other than U.S. Government Taxes

Line No.	State (a)	Amount (b)	State (a)	Amount (b)	Line No.
1	Alabama	\$	South Dakota	\$	41
2	Alaska		Tennessee		42
3	Arizona		Texas	233	43
4	Arkansas		Utah		44
5	California		Vermont		45
6	Colorado		Virginia		46
7	Connecticut		Washington		47
8	Delaware		West Virginia		48
9	Florida		Wisconsin		49
10	Georgia		Wyoming		50
11	Hawaii		District of Columbia		51
12	Idaho				
13	Illinois		Other		
14	Indiana		Canada		52
15	Iowa		Mexico	26	53
16	Kansas		Puerto Rico		54
17	Kentucky				55
18	Louisiana		Total-Other than U.S. Government Taxes	259	56
19	Maine				
20	Maryland		B. U.S. Government Taxes		
21	Massachusetts		Kind of tax (a)	Amount (b)	
22	Michigan				
23	Minnesota			\$	
24	Mississippi		Income taxes:		
25	Missouri		Normal tax and surtax	2	57
26	Montana		Excess profits		58
27	Nebraska		Total-Income taxes	2	59
28	Nevada		Old-age retirement*	763	60
29	New Hampshire		Unemployment insurance	107	61
30	New Jersey		All other United States Taxes	7	62
31	New Mexico		Total-U.S. Government Taxes	879	63
32	New York		Grand Total-Railway Tax Accruals	1,138	64
33	North Carolina				
34	North Dakota				
35	Ohio				
36	Oklahoma				
37	Oregon		*Includes taxes for hospital insurance (Medicare) and supplemental annuities as follows:		
38	Pennsylvania		Hospital insurance	\$ 0	65
39	Rhode Island		Supplemental annuities	0	66
40	South Carolina				

700. MILEAGE OPERATED (ALL TRACKS)

Give particulars called for concerning all tracks operated by respondent at the close of the year. Way switching tracks include station, team, industry, and other switching tracks for which no separate switching service is maintained. Yard switching tracks include classification, house, team, industry, and other tracks switched by yard locomotives in yards where separate switching services are maintained. Tracks belonging to an industry for which no rent is payable should not be reported. Switching and Terminal Companies report on line 6 only.

Line No.	Line in use (a)	Owned (b)	Proprietary companies (c)	Leased (d)	Operated under contract (e)	Operated under trackage rights (f)	Total operated (g)
1	Single or first main track	157					157
2	Second and additional main tracks						
3	Passing tracks, cross-overs, and turn-outs						
4	Way switching tracks	20					20
5	Yard switching tracks	41		19			60
6	Total	218		19			237

702. MILEAGE OPERATED—BY STATES

Line Haul Railways show single track only.
Switching and Terminal Companies show all tracks.

Line No.	State (a)	Owned (b)	Proprietary companies (c)	Leased (d)	Operated under contract (e)	Operated trackage rights (f)	Total operated (g)
1	Texas	157					157
2							
3							
4	Texas	20					20
5	Texas	41			19		60
6	Texas Total	218			19		237

2215. Show, by States, mileage of tracks owned but not operated by respondent: First main track, None; second and additional main tracks, None; yard track and sidings, None; total, all tracks, None industrial.
2216. Road is completed from (Line Haul Railways only)* Laredo Tx to Corpus Christi, Tx, distance, 157 miles.
2217. Road located at (Switching and Terminal Companies only)* Not Applicable
2218. Gauge of track 4 ft. 8-1/2 in. 2219. Weight of rail various lb. per yard.
2220. Kind and number per mile of cross-ties _____
2221. State number of miles electrified: First main track, None; second and additional main tracks, None; passing tracks, cross-overs, and turn-outs, None; way switching tracks, None; yard switching tracks, None
2222. Ties applied in replacement during year: Number of cross-ties, 31,860; average cost per tie, \$ 13.31; number of feet (B.M.) of switch and bridge ties, 551,759; average cost per M feet (B.M.), \$ 379.92
2223. Rail applied in replacement during year: Tons (1,000 pounds), 462.0159; weight per yard, various; average cost per ton, \$ 132.05

* Insert names of places.

† Mileage should be stated to the nearest whole mile.

704. 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. Use 150 pounds as the average weight per passenger and four tons as the average weight of contents of each head-end car.

Line No.	Item (a)	Freight trains (b)	Passenger trains (c)	Total transportation service (d)	Work trains (e)
1	Average mileage of road operated (whole number required)	157		157	XXXXXX
	Train-miles				
2	Total (with locomotives)	113,770		113,770	
3	Total (with motorcars)				
4	Total train-miles	113,770		113,770	
	Locomotive unit-miles				
5	Road service	338,878		338,878	XXXXXX
6	Train switching	36,990		36,990	XXXXXX
7	Yard switching	164,560		164,560	XXXXXX
8	Total locomotive unit-miles	540,428		540,428	XXXXXX
	Car-miles				
9	Loaded freight cars	4,143		4,143	XXXXXX
10	Empty freight cars	2,288		2,288	XXXXXX
11	Caboose	112		112	XXXXXX
12	Total freight car-miles	6,543		6,543	XXXXXX
13	Passenger coaches				XXXXXX
14	Combination passenger cars (mail, express, or baggage, etc., with passenger)				XXXXXX
15	Sleeping and parlor cars				XXXXXX
16	Dining, grill and tavern cars				XXXXXX
17	Head-end cars				XXXXXX
18	Total (lines 13, 14, 15, 16 and 17)				XXXXXX
19	Business cars				XXXXXX
20	Crew cars (other than cabooses)				XXXXXX
21	Grand total car-miles (lines 12, 18, 19 and 20)	6,543		6,543	XXXXXX
	Revenue and nonrevenue freight traffic				
22	Tons—revenue freight	XXXXXX	XXXXXX	2,187,582	XXXXXX
23	Tons—nonrevenue freight	XXXXXX	XXXXXX	19,994	XXXXXX
24	Total tons—revenue and nonrevenue freight	XXXXXX	XXXXXX	2,207,576	XXXXXX
25	Ton-miles—revenue freight	XXXXXX	XXXXXX	217,145,178	XXXXXX
26	Ton-miles—nonrevenue freight	XXXXXX	XXXXXX	1,602,836	XXXXXX
27	Total ton-miles—revenue and nonrevenue freight	XXXXXX	XXXXXX	218,748,014	XXXXXX
	Revenue passenger traffic				
28	Passengers carried—revenue	XXXXXX	XXXXXX	None	XXXXXX
29	Passenger-miles—revenue	XXXXXX	XXXXXX	None	XXXXXX

NOTES AND REMARKS

536100 THE TEXAS MEXICAN RAILWAY CO. 1978 2

705. CHANGES DURING THE YEAR

Hereunder state the matters called for. Make the statements explicit and precise, and number them in accordance with the inquiries; each inquiry should be fully answered, and if the word "none" truly states the fact it may be used in answering any particular inquiry. Changes in mileage should be reported by classes and stated to the nearest whole mile adjusted to accord with footings, i.e., counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

1. For each railroad property used in respondent's transportation service, show all increases and decreases in mileage, classifying the changes in the tables below as follows:

(Class 1) Line owned by respondent.

(Class 2) Line owned by proprietary companies.

(Class 3) Line operated under lease for a specified sum.

(Class 4) Line operated under contract or agreement for continuous rent.

(Class 5) Line operated under trackage rights.

2. For changes in miles of road, give dates of beginning or abandonment of operations. If any changes reportable in this schedule occurred under authority granted by the Commission in certificates of convenience and necessity, issued under paragraphs (18) to (22) of section 1 of the Interstate Commerce Act or otherwise, specific reference to such authority should in each case be made by docket number or otherwise, as may be appropriate.

3. All consolidations, mergers, and reorganizations effected, giving particulars.

This statement should show the mileage, equipment, and cash value of property of each company as well as the consideration received by each company party to the action. State the dates on which consolidated, etc., and whether the prior companies have been dissolved. Copies of the articles of consolidation, merger, or reorganization should be filed with this report.

4. Other important changes not elsewhere provided for involving more than \$50,000, giving full particulars.

INCREASES IN MILEAGE

Line No.	Class	Main (M) or branch (B) line	Running Tracks, Passing Tracks, Cross-Overs, Etc.				Miles of way switching tracks	Miles of yard switching tracks	Total	Remarks
			Miles of road	Miles of second main track	Miles of all other main tracks	Miles of passing tracks cross-overs and turn-outs				
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1			None							
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13	Total Increase									

DECREASES IN MILEAGE

14			None							
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25	Total Decrease									

If returns under Inquiry No. 1 above include any first main track owned by respondent or its proprietary companies representing new construction or permanent abandonment give the following particulars:

Owned by respondent:

Miles of road constructed _____ Miles of road abandoned _____

Owned by proprietary companies:

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 respondent's road, and should not include tracks relocated and tracks laid to shorten the distance between two points, without serving any new territory.

By road abandonment is meant "permanently abandoned," the cost of which has been or is to be written out of the investment accounts.

INSTRUCTIONS CONCERNING RETURNS IN SCHEDULE 710

Instructions for reporting locomotive and passenger-train car data.

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 purchased new or built in company shops. In column (d) give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.

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 (h); units rented from others for a period less than one year should not be 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 a 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. For reporting purposes indicate radio-controlled self-powered diesel units on lines 1 through 8, as appropriate. Radio-controlled units that are not self-powered, i.e., those without a diesel, should be reported on line 13 under "Auxiliary units".

7. Column (k) should show aggregate capacity for all units reported in column (j), as follows: For locomotive units, report the manufacturers' rated horsepower (the maximum continuous power output from the diesel engine or engines delivered to the main generator or generators for tractive purposes). Exclude capacity data for steam locomotives. For passenger-train cars report the number of passenger seats available for revenue service, counting one passenger to each berth in sleeping cars.

8. Passenger-train car types and service equipment car types correspond to AAR Mechanical Division designations. Descriptions of car codes and designations are published in The Official Railway Equipment Register.

710. INVENTORY OF EQUIPMENT

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

Line No.	Type or design of units	Units in service of respondent at beginning of year	Changes During the Year				Units retired from service of respondent whether owned or leased, including reclassification	Units at Close of Year				
			Units installed					Owned and used	Leased from others	Total in service of respondent (col. (h) & (i))	Aggregate capacity of units reported in col. (j) (see ins. 7)	Leased to others
			New units purchased or built	New units leased from others	Rebuilt units acquired and rebuilt units rewritten into property accounts	All other units including reclassification and second hand units purchased or leased from others						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Locomotive Units												
1	Diesel-Freight _____ A units										(H.P.)	
2	Diesel-Freight _____ B units											
3	Diesel-Passenger _____ A units											
4	Diesel-Passenger _____ B units											
5	Diesel-Multiple purpose _____ A units	13	1				1	13		13	24,150	
6	Diesel-Multiple purpose _____ B units											
7	Diesel-Switching _____ A units											
8	Diesel-Switching _____ B units											
9	Total (lines 1 to 8)	13	1				1	13		13	24,150	
10	Electric-Locomotives _____											
11	Other self-powered units _____											
12	Total (lines 9, 10 and 11)	13	1				1	13		13	24,150	
13	Auxiliary units _____										XXXX	
14	Total Locomotive Units (lines 12 and 13)	13	1				1	13		13	XXXX	

DISTRIBUTION OF LOCOMOTIVE UNITS IN SERVICE OF RESPONDENT AT CLOSE OF YEAR, ACCORDING TO YEAR BUILT, DISREGARDING YEAR OF REBUILDING

Line No.	Type or design of units	Before Jan. 1, 1955	Between Jan. 1, 1955, and Dec. 31, 1959	Between Jan. 1, 1960, and Dec. 31, 1964	Between Jan. 1, 1965, and Dec. 31, 1969	Between Jan. 1, 1970, and Dec. 31, 1974	During Calendar Year					TOTAL
							1975	1976	1977	1978	1979	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
15	Diesel	2	1	2	3	4				1		13
16	Electric											
17	Other self-powered units											
18	Total (lines 15 to 17)	2	1	2	3	4				1		13
19	Auxiliary units											
20	Total Locomotive Units (lines 18 and 19)	2	1	2	3	4				1		13

710 INVENTORY OF EQUIPMENT - Continued

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

Line No.	Class of equipment and car designations	Units in service of respondent at beginning of year	Changes During the Year					Units at Close of Year				
			Units Installed				Units retired from service of respondent whether owned or leased, including re-classification	Owned and used	Leased from others	Total in service of respondent (col. (h) & (i))	Aggregate capacity of units reported in col. (j) (see ins. 7)	Leased to others
			New units purchased or built	New units leased from others	Rebuilt units acquired and rebuilt units re-written into property accounts	All other units, including re-classification and second hand units purchased or leased from others						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	PASSENGER-TRAIN CARS											
	<i>Non-Self-Propelled</i>											
21	Coaches [PA, PB, PBO]											
22	Combined cars [All class C, except CSB]											
23	Parlor cars [PBC, PC, PL, PO]											
24	Sleeping cars [PS, PT, PAS, PDS]											
25	Dining, grill and tavern cars										XXXX	
26	[All class D, PD]											
27	Non-passenger carrying cars [All class B, CSB, M, PSA, 1A]										XXXX	
28	Total (lines 21 to 27)											
	<i>Self-Propelled Rail Motorcars</i>											
29	Electric passenger cars [EP, ET]											
30	Electric combined cars [EC]											
31	Internal combustion rail motorcars [IC, D, EG]											
32	Other self-propelled cars Specify types:											
33	Total (lines 29 to 32)											
34	Total (lines 28 and 33)											
	COMPANY SERVICE CARS											
35	Business cars [PV]										XXXX	
36	Boarding outfit cars [MWX]										XXXX	
37	Derrick and snow removal cars [MWU, MWV, MWW, MWK]										XXXX	
38	Dump and ballast cars [MWB, MWD]										XXXX	
39	Other maintenance and service equipment cars	11						11		11	XXXX	
40	Total (lines 35 to 39)	11						11		11	XXXX	

710. INVENTORY OF EQUIPMENT - Continued

Instructions for reporting freight-train car data:

1. Give particulars of each of the various classes of equipment which respondent owned or leased during the year.
2. In column (d) give the number of units purchased or built in company shops. In column (e) give the number of new units leased from others. The term "new" means a unit placed in service for the first time on any railroad.

3. Units leased to others for a period of one year or more are reportable in column (n); units temporarily out of respondent's service and rented to others for less than one year are to be included in column (i); units rented from others for a period less than one year should not be included in column (j).

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

Line No.	Class of equipment and car designations	Units in service of respondent at beginning of year		Changes During the Year			
		Time-mileage cars	All others	Units Installed			
				New units purchased or built	New units leased from others	Rebuilt units acquired and rebuilt units rewritten into property accounts ¹	All other units, including reclassification and second-hand units purchased or leased from others
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
FREIGHT TRAIN CARS							
41	Plain Box Cars - 40' (B100-129)	19					
42	Plain Box Cars - 50' (B200-229; B300-329)	18					
43	Equipped Box Cars (All Code A)				300		
44	Plain Gondola Cars (G092-392; G401-492)	167					
45	Equipped Gondola Cars (All Codes C and E)						
46	Covered Hopper Cars (L151-154; 251-254; 351-354; 451-454; 551-554; 651-654; 751-754)	42					
47	Open Top Hopper Cars - General Service (All Code H)	40					
48	Open Top Hopper Cars - Special Service (All Codes J and K)						25
49	Refrigerator Cars - Non-mechanical (R100, 101, 102, 103, 105, 106, 107, 108, 109, 113, 114, 115, 116, R200, 201, 202, 203, 205, 206, 207, 208, 209, 213, 214, 215, 216)						
50	Refrigerator Cars - Mechanical (R104, 110, 111, 112, 117, 118, R204, 210, 211, 212, 217, 218)						
51	Flat Cars - TOFC/COFC (F071-078; F871-978)	0					
52	Flat Cars - Multi-level (All Code V)				150		
53	Flat Cars - General Service (F101-109; F201-209)						
54	Flat Cars - Other (F111-189; 211-289; 301-389; 401-540)						
55	Tank Cars - Under 22,000 Gallons (T-0, T-1, T-2, T-3, T-4, T-5)	1					
56	Tank Cars - 22,000 Gallons & Over (T-6, T-7, T-8, T-9)						
57	All Other Freight Cars (F191-199; 291-391; L006-048; L070, L080, L090 - All "L" with second numeric 6; L161-L764; T-770; All Class S)	287					
58	Total (lines 41 to 57)	287					
59	Caboose (All N)	XXXX	3		450		25
60	Total (lines 58, 59)	287	3		450		25
¹ Box, unequipped (which relates to incentive per diem order)		New units purchased or built			Units rebuilt or acquired		
		General funds		incentive funds	General funds		Incentive funds

710. INVENTORY OF EQUIPMENT—Continued

4. Column (m) should show aggregate capacity for all units reported in columns (k) and (l), as follows: 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.

5. Time-mileage cars refers to freight cars, other than cabooses, owned or held under lease arrangement, whose interline rental is settled on a per diem and line haul mileage basis under "Code of Car Hire Rules" or would be so settled if used by another railroad.

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

Changes during year (Concluded)	Units At Close of Year						Line No.
Units retired from service of respondent whether owned or leased including re-classification	Owned and used	Leased from others	Total in service of respondent (col. (i) & (j))		Aggregate capacity of units reported in col. (k) & (l) (see ins. 4)	Leased to others	
			Time-mileage cars	All other			
(h)	(i)	(j)	(k)	(l)	(m)	(n)	
	19		19		1,045		41
	18	300	318		24,486		42
							43
7	160		160		12,320		44
							45
20		22	22		1,600		46
	65		65		5,005		47
							48
							49
							50
		150	150		11,550		51
							52
							53
		1	1		40		54
							55
							56
							57
27	262	473	735	XXXX-	56,046 XXXXXXXXXX		58
27	262	473	735	3	56,046		59
				3			60

710. INVENTORY OF EQUIPMENT - Concluded

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

Line No.	Class of equipment and car designations	Units in service of respondent at beginning of year		Changes During the Year			
		Per diem	All other	Units Installed			
				New units purchased or built	New units leased from others	Rebuilt units acquired and rebuilt units re-written into property accounts	All other units, including reclassification and second hand units purchased or leased from others
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
FLOATING EQUIPMENT							
61	Self-propelled vessels [Tugboats, car ferries, etc.]	X X X X	None				
62	Non-self-propelled vessels [Car floats, lighters, etc.]	X X X X					
63	Total (lines 61 and 62)	X X X X	None				
HIGHWAY REVENUE EQUIPMENT							
64	Bogie-chassis						
65	Dry van						
66	Flat bed						
67	Open top						
68	Mechanical refrigerator						
69	Bulk						
70	Insulated						
71	Platform removable sides						
72	Other trailer or container				300		
73	Tractor						
74	Truck						
75	Total (lines 64 to 74)				300		

NOTES AND REMARKS

710. INVENTORY OF EQUIPMENT—Concluded

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

UNITED STATES INVESTMENT ACCOUNT, AND LEASED FROM OTHERS							
Changes during year (Concluded)	Units At Close of Year						Line No.
Units retired from service of respondent whether owned or leased, including reclassification	Owned and used	Leased from others	Total in service of respondent (col. (i) & (j))		Aggregate capacity of units reported in col. (k) & (l) (see ins. 4)	Leased to others	
			Pier cars	All other			
(h)	(i)	(j)	(k)	(l)	(m)	(n)	
			X X X X				61
			X X X X				62
			X X X X				63
							64
							65
							66
							67
							68
							69
							70
		300	300		6,000		71
							72
							73
		300	300		6,000		74
							75

NOTES AND REMARKS

710-S. UNIT COST OF EQUIPMENT INSTALLED DURING THE YEAR

1. Give particulars as requested, separately, for the various classes of new units and rebuilt units of equipment installed by Respondent during the year. If information regarding the cost of any units installed is not complete at time of filing of report, the units should be omitted, but reference to the number of units omitted should be given in a footnote, the details as to cost to be given in the report of the following year. The cost of units under construction at the close of the year should not be reflected in this schedule even though part of the cost appears in the property account for the year. Indicate in column (e) whether an installation represents equipment purchased, (P); built or rebuilt by contract in outside railroad shops, (C); or built or rebuilt in company or system shops, (S).

2. In column (a) list each class or type of locomotive unit, car, or TOFC/COFC equipment on a separate line. By class is meant the standard classification used to distinguish types of locomotive units, freight cars or other equipment adopted by the Association of American Railroads; and should include physical characteristics requested by Schedule 710; locomotive units should be identified as to power source, wheel arrangement, and horsepower per unit; such as Multiple purpose diesel locomotive A units (B-B), 2500 HP; and cars should be identified as to special construction or service characteristics such as Aluminum covered hopper cars, L.O. Steel boxcars-special service, XAP, etc., for TOFC/COFC show type of equipment as enumerated in Schedule 710.

3. In column (c) show the total weight in tons of 2,000 pounds. The weight of the equipment acquired should be the weight empty.

4. The cost should be the complete cost as entered on the ledger, including foreign line freight charges and handling charges.

5. Data for this schedule should be confined to the units reported in Schedule 710, columns (c) and (e) for locomotive units, passenger train cars and company service cars, columns (d) and (f) for freight train cars, floating equipment and highway revenue equipment. Disclose new units in the upper section of this schedule and in the lower section disclose rebuilt units acquired or rewritten into the Respondent's accounts. The term "new" as used herein shall refer to and mean a unit or units placed in service for the first time on any railroad.

6. All unequipped boxcars acquired in whole or in part with incentive per diem funds should be reported on separate lines and appropriately identified by footnote or sub-heading.

7. Report dollars in thousands.

NEW UNITS

Line No	Class of equipment (a)	Number of units (b)	Total weight (tons) (c)	Total cost (d)	Method of acquisition (see instructions) (e)
1	Multiple purpose Diesel Locomotive A				
2	(B-B) Unit, 2,000 H.P., GP-38-2	1	122	458	P
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25	TOTAL	1	XXXX	458	XXXX

REBUILT UNITS

26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38	TOTAL		XXXX		XXXX
39	GRAND TOTAL		XXXX		XXXX

730. 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, the revenue from which is includible in account No. 101, *Freight*, on the basis of the 2-digit codes named in 49 C.F.R. 123.52, by Order of September 13, 1963. In stating the number of tons received from connecting carriers (c), include all commencing carriers, whether rail or water; and whether the freight is received directly or indirectly (as through elevators).

2. Under Order of December 16, 1964, 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*. Extra copies of Schedule 2602 may be obtained upon request to the Interstate Commerce Commission, Bureau of Accounts, Washington, D.C., 20423. If a supplemental schedule is filed, check the space provided at the bottom of this schedule. 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 holding a permit under part IV of the Interstate Commerce Act. Code 47 should include all traffic moved in lots of less than 10,000 pounds.

4. *Gross freight revenue* means respondent's gross freight revenue without adjustment for absorption or corrections.

Line No.	Commodity	Code No.	Revenue freight in tons (2,000 pounds)			Gross freight revenue (dollars)
	Description		Originating on respondent's road	Received from connecting carriers	Total carried	
1	Farm products	01	13,266	134,549	147,815	690,610
2	Forest products	08	12	1,683	1,695	17,998
3	Fresh fish and other marine products	09				
4	Metallic ores	10		26,157	26,157	133,605
5	Coal	11		9,156	9,156	39,236
6	Crude petro, nat gas, & nat gas	13				
7	Nonmetallic minerals, except fuels	14	325,871	220,653	546,524	1,519,954
8	Ordinance and accessories	19		22	22	190
9	Food and kindred products	20	28,116	184,627	212,743	1,099,327
10	Tobacco products	21		25	25	459
11	Textile mill products	22	1,322	22,147	23,469	159,980
12	Apparel & other finished tex prd inc knit	23		123	123	1,251
13	Lumber & wood products, except furniture	24	327	46,020	46,347	249,592
14	Furniture and fixtures	25		1,025	1,025	17,975
15	Pulp, paper and allied products	26	268	97,912	98,180	477,240
16	Printed matter	27		39	39	635
17	Chemicals and allied products	28	10,524	186,413	196,937	1,436,955
18	Petroleum and coal products	29	976	75,527	76,503	379,361
19	Rubber & miscellaneous plastic products	30	55	417	472	5,606
20	Leather and leather products	31		16	16	482
21	Stone, clay, glass & concrete prd	32	1,557	158,287	159,844	651,400
22	Primary metal products	33	6,591	154,494	161,085	953,786
23	Fabr metal prd, exc ordn, machy & transp	34	963	10,003	10,966	81,352
24	Machinery, except electrical	35	263	10,241	10,504	153,140
25	Electrical machy, equipment & supplies	36	274	2,382	2,656	35,689
26	Transportation equipment	37	2,667	30,770	33,437	296,242
27	Instr, phot & opt ed, watches & clocks	38				
28	Miscellaneous products of manufacturing	39	71	341	412	7,385
29	Waste and scrap materials	40	82,315	226,435	308,750	1,751,357
30	Miscellaneous freight shipments	41	104	3,567	3,671	56,367
31	Containers, shipping, returned empty	42	1,901	2,169	4,070	27,238
32	Freight forwarded traffic	44	42	5,286	5,328	42,128
33	Shipper Assn or similar traffic	45		616	616	4,238
34	Misc mixed shipment exc fwdtr & shpr assn	46	43,577	43,953	87,530	556,778
35	Total, carload traffic		521,062	1,652,055	2,173,117	10,847,556
36	Small packaged freight shipments	47				
37	Total, carload & LCL traffic		521,062	1,652,055	2,173,117	10,847,556

[] This report includes all commodity statistics for the period covered.

[] A supplemental report has been filed covering traffic involving less than three shippers reportable in any one commodity code.

[] Supplemental Report
NOT OPEN TO PUBLIC INSPECTION

ABBREVIATIONS USED IN COMMODITY DESCRIPTIONS

Assn	Association	Gsln	Gasoline	Misc	Miscellaneous	Phot	Photographic
Exc	Except	Inc	Including	Nat	Natural	Prd	Products
Fabr	Fabricated	Instr	Instruments	Opt	Optical	Shpr	Shipper
Fwdtr	Forwarder	LCL	Less than carload	Ord	Ordinance	Tex	Textile
Gd	Goods	Machy	Machinery	Petro	Petroleum	Transp	Transportation

745. SWITCHING AND TERMINAL TRAFFIC AND CAR STATISTICS

(For switching and terminal companies only)

1. Give particulars of cars handled during the year. For descriptions of kinds of services included in switching operations, and in terminal operations, reference is made to the "Notice" on the inside of the front cover of this form. With respect to the term "cars handled" it should be observed that, when applied to switching operations, the movement of a car from the point at which a switching company receives it, whether loaded or empty, to the point where it is loaded or unloaded or delivered to another connecting line is to be counted as one car handled. The return of a car, whether loaded or empty, from the point where it is loaded or

unloaded, to the point of delivery is to be counted as one car handled. No incidental movement is to be considered, unless such incidental movement involves the receipt of additional revenue. When applied to terminal operations, such as union station, bridge, ferry, or other joint facility terminal operations, the term "cars handled" includes all cars for which facilities are furnished.

2. The number of locomotive-miles in yard switching service should be computed in accordance with account No. 816, "Yard Switching Locomotive-miles."

Line No.	Item (a)	Switching operations (b)	Terminal operations (c)	Total (d)
Freight Traffic				
1	Number of cars handled earning revenue—Loaded	NOT APPLICABLE		
2	Number of cars handled earning revenue—Empty			
3	Number of cars handled at cost for tenant companies—Loaded			
4	Number of cars handled at cost for tenant companies—Empty			
5	Number of cars handled not earning revenue—Loaded			
6	Number of cars handled not earning revenue—Empty			
7	Total number of cars handled			
Passenger Traffic				
8	Number of cars handled earning revenue—Loaded			
9	Number of cars handled earning revenue—Empty			
10	Number of cars handled at cost for tenant companies—Loaded			
11	Number of cars handled at cost for tenant companies—Empty			
12	Number of cars handled not earning revenue—Loaded			
13	Number of cars handled not earning revenue—Empty			
14	Total number of cars handled			
15	Total number of cars handled in revenue service (lines 7 and 14)			
16	Total number of cars handled in work service			
17	Number of locomotive-miles in yard switching service: Freight, _____; passenger, _____			

NOTES AND REMARKS

750. CONSUMPTION OF FUEL BY MOTIVE POWER UNITS

Show hereunder the amounts of the various kinds of fuel consumed by locomotive units and motors or other self-propelled rail cars in the service of the respondent during the year, and the number of kilowatt-hours for such tractive equipment as was propelled by electricity. The ton of 2,000 pounds should be used.

Kilowatt-hours, for entry in column (c) of section A, and column (h) of section B, are to be figures at high tension taps (point of production or point of purchase), and divided among the several classes of service, the division being made on the respondent's best estimate if actual figures are not available.

A. LOCOMOTIVES

Line No.	Kind of locomotive service (a)	Diesel	Electric	Other (Steam, Gas Turbine, Etc.)	
		Diesel oil (gallons) (b)	Kilowatt-hours (c)	Coal (tons) (d)	Fuel oil (gallons) (e)
1	Freight 407,322.30	830,766			
2	Passenger				
3	Yard switching 112,480.32	285,958			
4	Total	1,016,724			
5	Cost of Fuel* 519,802.62	\$ 520	\$	\$	\$
6	Work Train	None			

B. RAIL MOTORCARS

Line No.	Kind of locomotive service (f)	Diesel	Electric	Gasoline
		Diesel oil (gallons) (g)	Kilowatt-hours (h)	Gasoline (gallons) (i)
7	Freight Not Applicable			
8	Passenger			
9	Yard switching			
10	Total			
11	Cost of Fuel*	\$	\$	\$
12	Work Train			

*Show cost of fuel charged to train and yard service (Functions 67-Loco. Fuels and 68-Electric Power Purchased/Produced for Motive Power). The cost stated for the various kinds of fuel should be the total charges in the accounts specified, including freight charges and handling expenses. The cost stated for electric current should be the total charges in the accounts enumerated. Fuel and power consumed by mixed and special trains that are predominantly freight should be included in freight service, but where the service of mixed or special trains is predominantly passenger, the fuel and power used should be included in passenger service. (Dollars in thousands)

850. COMPETITIVE BIDDING--CLAYTON ANTITRUST ACT

80

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 to 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.

	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	Not Applicable						
2							
3							
4							
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							

Road Initials:

TM

Year 1976

900. COMPENSATION OF OFFICERS, DIRECTORS, ETC.

1. In columns (a) and (b) enter the name and position of each of the persons named in Schedule B of this report to whom the respondent paid the largest amount during the year as compensation for current or past service over and above necessary expenses incurred in discharge of duties. In addition, list all other officers, directors, pensioners or employees, if any, to whom the respondent paid \$50,000 or more in total compensation during the year.

2. The salary per annum to be entered in column (c) is the annual rate at which an employee is paid rather than the amount actually paid for a part of a year. If the salary of an individual was increased or decreased during the year, show salary before each change as well as at close of year.

3. If an officer, director, etc., receives compensation from one or more affiliated companies, reference to this fact should be made if the aggregate compensation from all companies amounts to \$50,000 or more.

4. Report in column (d) the total amount of compensation other than annual salary paid to each listed employee during the year. This includes forms of nonmonetary compensation given which directly benefits each employee. Examples:

Fair value of property given, such as exclusive use of an automobile;

Amounts paid for membership of the employee in nonbusiness associations, private clubs, etc.;

Commissions, bonuses, shares in profits;

Contingent compensation plans;

Monies paid or accrued for any pension, retirement, savings, retirement annuities, deferred compensation, or similar plan;

Premiums on life insurance where the respondent is not the beneficiary. Do not report premiums or group life insurance for benefits less than \$50,000.

5. Give the details of any plan not previously reported, the basis of determining the ultimate benefits payable, and the payments or provisions made during the year.

6. Also include in column (d) all remuneration paid, directly or indirectly, in the form of securities, options, warrants, rights or other property. Furnish particulars concerning any options, warrants, or rights issued or granted during the year including prices, expiration dates and other information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by each officer, director, etc.

6. Report dollars in thousands

Line No.	Name of person (a)	Position or Title (b)	Salary per annum as of close of year (see instructions) (c)	Other compensation during the year (d)
1	A. R. Ramos	President	\$	\$
2		1-1-78 to 6-30-78	40,000	
3		7-1-78 to 12-31-78	47,250	
4	C. H. Darnell, Jr.	V.P.-Oper. & Engr.		
5		1-1-78 to 6-30-78	40,000	
6		7-1-78 to 12-31-78	44,100	
7	W. L. Webber	V.P. - Traffic		
8		1-1-78 to 6-30-78	37,500	
9		7-1-78 to 12-31-78	42,000	
10	L. G. Barela	Comptroller		
11		1-1-78 to 6-30-78	23,100	
12		7-1-78 to 12-31-78	30,429	
13	A. C. DelaGarza	Treasurer & Secretary		
14		1-1-78 to 6-30-78	26,580	
15		7-1-78 to 12-31-78	29,169	
16	B. F. Wright, Jr.		46,800	
17		1-1-78 to 6-30-78		
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				

905. PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES AND AFFILIATES

1. In the form below give information concerning payments, fees, retainers, commissions, gifts, contributions, assessments, bonuses, pensions, subscription, allowance for expenses, or any form of payments amounting in the aggregate to \$20,000 or more during the year to any corporation, institution, association, firm, partnership, committee, or any person, except:

(a) Payments to employees of the respondent.

(b) Payments for services rendered by affiliates.

(c) Payments for accounting and audit fees must be reported in full regardless of the \$20,000 limitation. These fees must not be included with management fees paid to parent companies.

2. The aggregate of payments to be reported in column (c) shall include amounts paid and/or accrued during the year which are applicable to the year.

3. When contributions under \$20,000 are made in common with other carriers under a joint arrangement in payment for the performance of services or as a donation, each such contribution shall be reported, irrespective of the amount thereof, if the total amount paid by all contributors for the performance of the particular service is equal to the sum of \$20,000 or more.

4. Payments to the independent public accountant reporting on the respondent's annual report shall be subdivided to show separately the amount paid for auditing and the total amount paid for other types of management services such as, but not limited to, compensation plans, pension plans, forecasts and budgets, and tax advice. All carriers, whether payments aggregate more or less than \$20,000, shall answer the following question.

Did the independent accountant reporting on the respondent's annual report provide any management services other than auditing? Specify. Yes No

5. To be included are, among others, payments, directly or indirectly, for legal, medical, engineering, advertising, valuation, accounting, statistical, financial, educational, entertainment, charitable,

able, advisory, defensive, detective, developmental, research, appraisal, registration, purchasing, architectural, and hospital services; payments for expert testimony and for handling wage disputes; and payments for services of banks, bankers, trust companies, insurance companies, brokers, trustees, promoters, solicitors, consultants, actuaries, investigators, inspectors, and efficiency engineers. Payments to the various railroad associations, commissions, committees, bureaux, boards, and other organizations maintained jointly by railroads shall also be included. The enumeration of these kinds of payments should not be understood as excluding other payments for services not excluded below.

6. To be excluded are: Rent of buildings or other property, taxes payable to the Federal, State, or local Governments, payments for heat, light, power, telegraph, and telephone services, and payments to other carriers on the basis of lawful tariff charges or for the interchange of equipment between carriers, as well as other payments for services which both as to their nature and amount may reasonably be regarded as ordinarily connected with the routine operation, maintenance, or construction of a railroad, but any special and unusual payments for services should be reported. Payments of \$20,000 or more to organizations maintained jointly by railroads with other railroads are not to be excluded even if their services are regarded as routine.

7. 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 in the system, with references thereto in the reports of the other roads. When the respondent is reporting on a system basis, audit fees must be reported separately for each individual railroad included in the system.

8. If any doubt exists in the mind of the reporting officer as to the reportability of any type of payment, request should be made for a ruling before filing this report.

9. Report dollars in thousands

Line No.	Name of recipient (a)	Description of service (b)	Amount of payment (c)
1	Assn of Western Railroads	General Expenses & Printing	57
2	C. B. Guthrie	Statutory Service in Washington	1
3	Ernst & Ernst	Income Tax Work	1
4	Kleberg, Mobley, et. al.	Legal Services	21
5	Branscomb & Miller	Legal Services	2
6	Borchers & Borchers	Legal Services	26
7	National Rwy Labor Conf.	General Expenses & Subscriptions	1
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			

910. EMPLOYEES, SERVICE, AND COMPENSATION

1. Give particulars of the average number of employees of various classes in the service of the respondent, of service rendered by such employees, and of compensation paid therefor during the year. Employees are to be counted and classified and their service and compensation reported in accordance with the Commission's Rules Governing the Classification of Railroad Employees and Reports of their Service and Compensation, effective January 1, 1951.

2. Averages called for in column (b) should be the average of twelve middle-of-month counts.

3. Pensioners rendering no service are not to be included in the count, nor is any compensation paid them to be included hereunder.

4. If any of the general officers served without compensation or were carried on the payrolls of another company, those facts should be stated in a footnote.

5. If any compensation was paid or is payable under labor awards of the current year, include the amount applicable to the current year in column (d) and show the portion applicable to prior years (back pay) in a footnote, by groups of employees. For purposes of this report, labor awards are intended to cover adjustments resulting from the decisions of Wage Boards and voluntary awards by the respondent incident hereto.

6. This schedule does not include old-age retirements, and unemployment insurance taxes.

Line No.	Classes of employees (a)	Average number of employees (b)	Total service hours (c)	Total compensation (d)	Remarks (e)
1	Total (executives, officials, and staff assistants) _____	21	40,672	\$ 521	
2	Total (professional, clerical, and general) _____	85	185,336	1,393	
3	Total (maintenance of way and structures) _____	69	146,074	999	
4	Total (maintenance of equipment and stores) _____	40	87,902	704	
5	Total (transportation—other than train, engine, and yard) _____	215	459,984	3,617	
6	Total (transportation—yardmasters, switch tenders, and hostlers) _____	5	15,140	104	
7	Total, all groups (except train and engine) _____	220 435	935,108 475,124	7,338 3,721	
8	Total (transportation—train and engine) _____	76	162,251	1,432	
9	Grand Total _____	296 511	637,375 1,037,359	5,153 3770	

Amount of foregoing compensation (excluding back pay for prior years) that is chargeable to account No. 531, "Railway operating expenses":
\$

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 TEXAS
County of WEBB

M. RODRIGUEZ

(Insert here name of the affiant)

makes oath and says that he is

Auditor

(Insert here the official title of the affiant)

Of The Texas Mexican 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 78, to and including December 31, 1978

M. Rodriguez
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 5th day of April, 19 79

My commission expires December 31, 1980

Use an
L.S.

impression seal

Violet B. McBee
(Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

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

State of TEXAS
County of WEBB

A. R. Ramos

(Insert here name of the affiant)

makes oath and says that he is

President

(Insert here the official title of the affiant)

Of The Texas Mexican 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, 1978, to and including December 31, 19 78

A. R. Ramos
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and county above named, this 5th day of April, 19 79

My commission expires December 31, 1980

Use an
L.S.

impression seal

Violet B. McBee
(Signature of officer authorized to administer oaths)

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751. ROAD AND EQUIPMENT PROPERTY

1. Give particulars of changes in accounts Nos. 731, "Road and equipment property" and 732, "Improvements on leased property," classified in accordance with the Uniform System of Accounts for Railroad Companies.

2. Credit items in the entries should be fully explained.

3. Report on line 35 amounts not includable in the primary road accounts. The items re-

ported should be briefly identified and explained in a footnote. 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 list or column headings without specific authority from the Commission.

Line No.	Account (a)	Balance at beginning of year		Total expenditures during the year		Balance at close of year	
		Entire line (b)	State (c)	Entire line (d)	State (e)	Entire line (f)	State (g)
1	(1) Engineering	71	71			71	71
2	(2) Land for transportation purposes	606	606	25	25	631	631
3	(2 1/2) Other right-of-way expenditures	3	3			3	3
4	(3) Grading	441	441			441	441
5	(5) Tunnels and subways						
6	(6) Bridges, trestles, and culverts	490	490	46	46	536	536
7	(7) Elevated structures						
8	(8) Ties	703	703			703	703
9	(9) Rails	1,648	1,648	5	5	1,653	1,653
10	(10) Other track material	952	952	8	8	960	960
11	(11) Ballast	436	436			436	436
12	(12) Track laying and surfacing	552	552			552	552
13	(13) Fences, snowsheds, and signs	55	55			55	55
14	(16) Station and office buildings	861	861	1	1	862	862
15	(17) Roadway buildings	40	40			40	40
16	(18) Water stations	4	4	4	4	8	8
17	(19) Fuel stations	37	37			37	37
18	(20) Shops and enginehouses	229	229			229	229
19	(21) Grain elevators						
20	(22) Storage warehouses						
21	(23) Wharves and docks						
22	(24) Coal and ore wharves						
23	(25) TUPC/COPC terminals						
24	(26) Communication systems	11	11	16	16	27	27
25	(27) Signals and interlockers	92	92	1	1	93	93
26	(29) Powerplants						
27	(31) Power-transmission systems						
28	(55) Miscellaneous structures	3	3			3	3
29	(37) Roadway machines	471	471	62	62	533	533
30	(38) Roadway small tools						
31	(39) Public improvements—Construction	116	116			116	116
32	(43) Other expenditures—Road						
33	(44) Shop machinery	93	93	4	4	97	97
34	(45) Powerplant machinery						
35	Other (specify & explain)						
36	Total expenditures for road	7,914	7,914	172	172	8,086	8,086
37	(52) Locomotives	2,538	2,538	310	310	2,848	2,848
38	(53) Freight-train cars	2,319	2,319	143	143	2,462	2,462
39	(54) Passenger-train cars						
40	(55) Highway revenue equipment						
41	(56) Floating equipment						
42	(57) Work equipment	27	27			27	27
43	(58) Miscellaneous equipment	225	225	11	11	236	236
44	Total expenditures for equipment	5,109	5,109	464	464	5,573	5,573
45	(71) Organization expenses						
46	(76) Interest during construction	104	104			104	104
47	(77) Other expenditures—General	28	28			28	28
48	Total general expenditures						
49	Total	132	132			132	132
50	(80) Other elements of investment						
51	(90) Construction work in progress			58	58	58	58
52	Grand total	13,155	13,155	694	694	13,849	13,849

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OBSOLETE AS OF 1-1-78 REFER 2002. RAILWAY OPERATING EXPENSES

TO PAGE 62 AS INDICATED COMPATIBLE DATA.

1. State the railway operating expenses of the respondent for the year, classifying them in accordance with the Uniform System of Accounts for Railroad Companies.

2. Any unusual accruals involving substantial amounts included in column (b), (c), (e), and (f) should be fully explained in a footnote.

Line No.	Name of railway operating expense account	Amount of operating expenses for the year		Line No.	Name of railway operating expense account	Amount of operating expenses for the year	
		Entire line (b)	State (c)			Entire line (b)	State (c)
		\$	\$			\$	\$
	MAINTENANCE OF WAY AND STRUCTURES			32	(2247) Operating joint yards and terminals—Cr		
1	(2201) Superintendence			33	(2248) Train employees		
2	(2202) Roadway maintenance			34	(2249) Train fuel		
3	(2203) Maintaining structures			35	(2251) Other train expenses		
4	(2203 1/2) Retirements—Road			36	(2252) Injuries to persons		
5	(2204) Dismantling retired road property			37	(2253) Loss and damage		
6	(2208) Road Property—Depreciation			38	(2254) Other casualty expenses		
7	(2209) Other maintenance of way expenses			39	(2255) Other rail and highway transportation expenses		
8	(2210) Maintaining joint tracks, yards, and other facilities—Dr			40	(2256) Operating joint tracks and facilities—Dr		
9	(2211) Maintaining joint tracks, yards, and other facilities—Cr			41	(2257) Operating joint tracks and facilities—Cr		
10	Total maintenance of way and structures			42	Total transportation—Rail line		
	MAINTENANCE OF EQUIPMENT				MISCELLANEOUS OPERATIONS		
11	(2221) Superintendence			43	(2258) Miscellaneous operations		
12	(2222) Repairs to shop and power plant machinery			44	(2259) Operating joint miscellaneous facilities—Dr		
13	(2223) Shop and power plant machinery—Depreciation			45	(2260) Operating joint miscellaneous facilities—Cr		
14	(2224) Dismantling retired shop and power plant machinery			46	Total miscellaneous operating		
15	(2225) Locomotive repairs				GENERAL		
16	(2226) Car and highway revenue equipment repairs			47	(2261) Administration		
17	(2227) Other equipment repairs			48	(2262) Insurance		
18	(2228) Dismantling retired equipment			49	(2264) Other general expenses		
19	(2229) Retirements—Equipment			50	(2265) General joint facilities—Dr		
20	(2234) Equipment—Depreciation			51	(2266) General joint facilities—Cr		
21	(2235) Other equipment expenses			52	Total general expenses		
22	(2236) Joint maintenance of equipment expenses—Dr				RECAPITULATION		
23	(2237) Joint maintenance of equipment expenses—Cr			53	Maintenance of way and structures		
24	Total maintenance of equipment			54	Maintenance of equipment		
	TRAFFIC			55	Traffic expenses		
25	(2240) Traffic expenses			56	Transportation—Rail line		
	TRANSPORTATION—RAIL LINE			57	Miscellaneous operations		
26	(2241) Superintendence and dispatching			58	General expenses		
27	(2242) Station service			59	Grand total railway operating expense		
28	(2243) Yard employees						
29	(2244) Yard switching fuel						
30	(2245) Miscellaneous yard expenses						
31	(2246) Operating joint yard and terminals—Dr						
60	Operating ratio (ratio of operating expenses to operating revenues) _____ percent.						
	(Two decimal places required.)						

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2003. MISCELLANEOUS PHYSICAL PROPERTIES OPERATED DURING THE YEAR

Give particulars of each class of miscellaneous physical property or plant operated during the year. Group the properties under the heads of the classes of operations in which they are devoted.

In column (a) give the designation used in the respondent's records and the name of the town or city and State in which the property or plant is located, stating whether the respondent's

title is that of ownership or whether the property is held under lease or other incomplete title. All particulars of title should be explained in a footnote.

The totals of columns (b), (c), and (d) should agree with the totals of accounts Nos. 502, "Revenue from miscellaneous operations," 534, "Expenses of miscellaneous operations," and 535, "Taxes on miscellaneous operating property" in respondent's Income Accounts for the Year. If not, differences should be explained in a footnote.

Line No.	Designation and location of property or plant, character of business, and title under which held	Total revenue during the year (Acct. 502) (b)	Total expenses during the year (Acct. 534) (c)	Total taxes applicable to the year (Acct. 535) (d)
1	Acme Warehouse	\$ 18	\$ 2	\$ 2
2	Laredo, Texas			
3				
4	National Carloading Warehouse	12	2	1
5	Laredo, Texas			
6				
7	"GIS" Warehouse	35	7	5
8	Laredo, Texas			
9				
10	All Other Items	20	12	4
11				
12	Total	85	23	12

2301. SUMMARY STATEMENT OF TRACK MILEAGE WITHIN THE STATE AND OF TITLES THERETO AT CLOSE OF YEAR*

Line No.	Item	Line operated by respondent							
		Class 1: Line owned		Class 2: Line of proprietary companies		Class 3: Line operated under lease		Class 4: Line operated under contract	
		Added during year	Total at end of year	Added during year	Total at end of year	Added during year	Total at end of year	Added during year	Total at end of year
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Miles of road	157							
2	Miles of second main track								
3	Miles of all other main tracks								
4	Miles of passing tracks, crossovers, and turnouts								
5	Miles of way switching tracks	20							
6	Miles of yard switching tracks	41							19
7	All tracks	218							19

Line No.	Item	Line operated by respondent				Line owned but not operated by respondent	
		Class 3: Line operated under trackage rights		Total line operated			
		Added during year	Total at end of year	At beginning of year	At close of year	Added during year	Total at end of year
	(j)	(k)	(l)	(m)	(n)	(o)	(p)
1	Miles of road			157	157		
2	Miles of second main track						
3	Miles of all other main tracks						
4	Miles of passing tracks, crossovers, and turnouts						
5	Miles of way switching tracks—Industrial			20	20		
6	Miles of way switching tracks—Other						
7	Miles of yard switching tracks—Industrial			60	60		
8	Miles of yard switching tracks—Other						
9	All tracks			237	237		

*Entries in columns headed "Added during the year" should show net increases.

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2302. RENTS RECEIVABLE

Income from lease of road and equipment

Line No.	Road leased (a)	Location (b)	Name of lessee (c)	Amount of rent during year (d)
1	None			\$ None
2				
3				
4				
5			Total	

2303. RENTS PAYABLE

Rent for leased roads and equipment

Line No.	Road leased (a)	Location (b)	Name of lessor (c)	Amount of rent during year (d)
1	Yard tracks, Bridge, etc. in Laredo proper, Texas	Laredo, Texas	National Railways of Mexico	\$ 60
2				
3				
4				
5			Total	60

2304. CONTRIBUTIONS FROM OTHER COMPANIES

2305. INCOME TRANSFERRED TO OTHER COMPANIES

Line No.	Name of contributor (a)	Amount during year (b)	Name of transferee (c)	Amount during year (d)
1	NONE	\$		\$ NONE
2				
3				
4				
5				
6		Total	Total	