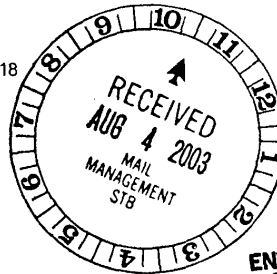


208597

BAKER & MILLER PLLC  
ATTORNEYS AND COUNSELLORS

SUITE 1000  
915 15TH STREET, N.W.  
WASHINGTON, D.C. 20005-2318  
TELEPHONE: (202) 637-9499  
FACSIMILE: (202) 637-9394  
August 4, 2003



ENTERED  
Office of Proceedings

AUG 04 2003

Part of  
Public Record

**BY HAND DELIVERY**

The Honorable Roger Nober  
Chairman  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20423-0001

Re: *Kansas City Southern - Control - The Kansas City Southern  
Railway Company, Gateway Eastern Railway Company, And The  
Texas Mexican Railway Company; Finance Docket No. 34342*

Dear Chairman Nober:

At Thursday's public hearing on the Kansas City Southern's ("KCS") application for authority to control The Texas Mexican Railway Company ("Tex Mex"), you asked about the status of the U.S. Department of Justice's review of the KCS-TFM transaction. KCS indicated that a determination by the DOJ was expected Thursday with respect to Hart-Scott-Rodino filings by KCS and Grupo TMM regarding the KCS-TFM transaction.

I am pleased to enclose a press release issued by KCS on Friday, August 1, announcing that the DOJ did not issue a second request letter to KCS or Grupo TMM under Hart-Scott-Rodino. DOJ's action means that KCS and Grupo TMM may move forward with the KCS-TFM transaction without any challenge from the DOJ under the antitrust laws of the United States. This reinforces the determination made earlier by the Mexican Competition Commission, which similarly approved the KCS-TFM transaction following its review of competitive issues.

By copy of this letter, I am advising all parties to this proceeding of this development.

Sincerely,

William A. Mullins

Enclosure

cc: The Honorable Vernon A. Williams  
All Parties of Record



**For Immediate release:**

August 1, 2003

**For additional information contact:**

William Galligan - 816-983-1551

## **Kansas City Southern and Grupo TMM Announce Expiration of Department Of Justice Hart-Scott-Rodino Waiting Period Allowing NAFTA Rail Transaction to Proceed Without Further U.S. Antitrust Review**

**[Previous Release](#) / [Next Release](#) / [Press Release Menu](#)**

Today, Kansas City Southern ("KCS") (NYSE: KSU) and Grupo TMM, S.A. (NYSE: TMM and BMV: TMM A; "TMM") announced that the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ("HSR") for their proposed NAFTA Rail transaction has expired without a formal request from the U.S. Department of Justice ("DOJ") for additional information of documentary material, allowing KCS and TMM to consummate their transaction without any further delays that could have resulted from requests for additional information by the Justice Department under U.S. antitrust laws. Under the HSR process, the DOJ had thirty (30) days after notice is filed to issue a "second request" asking for various documents and information from the HSR parties. The waiting period officially expired yesterday, July 31, 2003, without action by the DOJ. While the transaction has cleared the regulatory waiting period under HSR for antitrust review in the United States, the transaction placing TFM, S.A., de C.V. ("TFM") under common control of NAFTA Rail must still be approved by the Foreign Investment Commission in Mexico, the shareholders of both companies, and TMM bondholders. The transaction has already received approval from the Mexican Competition Commission, which looks at antitrust issues in proposed transactions in Mexico.

"We are very gratified that the U.S. Department of Justice has determined to allow the transaction to proceed without a request for additional information under the antitrust laws," stated Michael R. Haverty, Chairman, President, and Chief Executive Officer of KCS. "We believe that NAFTA Rail will enhance rail competition in Mexico and the United States and improve rail service for shippers in the vitally important North American rail corridor. This is one more step in our effort to make NAFTA Rail a strong competitor in the NAFTA trade corridor."

Jose Serrano, Chairman of Grupo TMM, said "The expiration of the waiting period removes another hurdle to our ability to complete the transaction."

In a separate, but related proceeding, Haverty and KCS Executive Vice President and Chief Operating Officer, Gerald Davies, testified yesterday before the U.S. Surface Transportation Board ("STB") at a public hearing held to discuss and take evidence on KCS's plans to place The Kansas City Southern Railway Company ("KCSR"), Gateway Eastern Railway Company ("Gateway"), and The Texas Mexican Railway Company ("Tex Mex") under the common control of KCS (the "Applicant"). This public hearing was scheduled by the STB to allow the Applicant and the public to comment on this transaction, which is separate from the TFM transaction. KCS had earlier purchased 51 percent of Tex Mex's parent company, Mexrail Inc., for \$32.7 million but placed those shares in an independent voting trust pending STB authority to commonly control KCSR, Gateway, and Tex Mex. The STB has published a procedural schedule that would result in a final decision in this matter by October 17, 2003.

"We were very pleased that Chairman Nober and the STB staff scheduled this hearing to allow us and many of the affected parties to comment on the importance of our transaction to future competitive rail service between the U.S. and Mexico," said Haverty.

Joining KCS in testifying in support of the transaction at the STB hearing were The U.S. Department of Agriculture, Watco Companies, Inc., Triangle Marine Industrial Park, Bartlett Company, Beachner Grain, Inc., E. I. du Pont de Nemours and Company, Martin Product Sales LLC, and MeadWestvaco Corporation. Over 90 parties to date have filed written comments in support of the NAFTA Rail transaction.

KCS is a transportation holding company that has railroad investments in the United States, Mexico, and Panama. Its primary holding is The Kansas City Southern Railway Company. Headquartered in Kansas City, Missouri, KCS serves customers in the central and south central regions of the U.S. KCS's rail holdings and investments are primary components of a NAFTA Railway system that links the commercial and industrial centers of the United States, Canada and Mexico.

Headquartered in Mexico City, Grupo TMM is the premier Mexican multimodal transportation company and logistics provider. Through its branch offices and network of subsidiary companies, Grupo TMM provides a dynamic combination of ocean and land transportation services within Mexico. Grupo TMM also has the controlling interest in TFM, which operates Mexico's Northeast Rail Lines and carries over 40 percent of the country's rail cargo.

*This press release includes statements concerning potential future events involving the Company, which could materially differ from the events that actually occur. The differences could be caused by a number of factors, including those factors identified in a Current Report on Form 8-K dated December 11, 2001 filed by the Company with the Securities and Exchange Commission ("SEC") (Commission file no. 1-4717). The Company will not update any forward-looking statements in this press release to reflect future events or developments.*

**[Home](#) / [Customers](#) / [Investors](#) / [Employees & Friends](#) / [Media](#) / [Safety](#) / [Site Map](#) / [En](#)**

---

**[Copyright & Legal Disclaimer](#) / [FAQ](#)**