

Mac A. Fleming
President



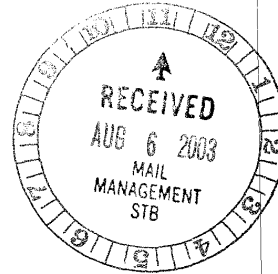
Freddie N. Simpson
Secretary-Treasurer

Brotherhood of Maintenance of Way Employees

Affiliated with the A.F.L.-C.I.O. and C.L.C.

208645

August 1, 2003



Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 34342

Dear Secretary Williams:

Please accept for filing the original and ten copies of the Comments of the Brotherhood of Maintenance of Way Employees ("BMWE-2"). A copy of the Comments in WordPerfect format also is enclosed.

ENTERED
Office of Proceedings

AUG 06 2003

Part of
Public Record

Respectfully submitted,

Director of Strategic Coordination and Research

enclosure

cc: F. Simpson

BMW - 2
BEFORE THE SURFACE TRANSPORTATION BOARD

Finance Docket No. 34342



KANSAS CITY SOUTHERN - CONTROL - THE KANSAS CITY SOUTHERN
RAILWAY COMPANY, GATEWAY EASTERN RAILWAY COMPANY and
THE TEXAS MEXICAN RAILWAY COMPANY

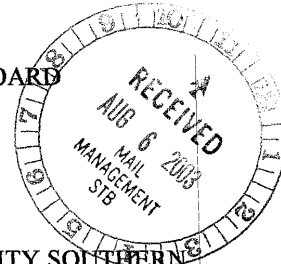
COMMENTS OF THE BROTHERHOOD OF
MAINTENANCE OF WAY EMPLOYEES

Donald F. Griffin
Director of Strategic Coordination & Research
Brotherhood of Maintenance of Way Employees
10 G Street, N.E., Suite 460
Washington, D.C. 20002
202-638-2135

August 1, 2003

BEFORE THE SURFACE TRANSPORTATION BOARD

Finance Docket No. 34342



KANSAS CITY SOUTHERN – CONTROL – THE KANSAS CITY SOUTHERN
RAILWAY COMPANY, GATEWAY EASTERN RAILWAY COMPANY and
THE TEXAS MEXICAN RAILWAY COMPANY

COMMENTS OF THE BROTHERHOOD OF
MAINTENANCE OF WAY EMPLOYEES

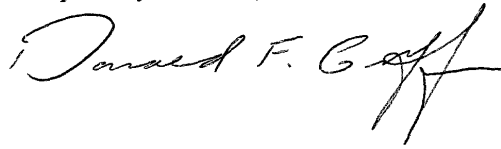
The Brotherhood of Maintenance of Way Employees ("BMWE") respectfully submits the following comments on the proposed transaction pursuant to the terms of Decision No. 2, served June 9, 2003.

The Applicants characterize the transaction subject to the Board's jurisdiction here as KCS's purchase of 51% of the stock of Mexrail, Inc. ("Mexrail"), the parent company of Tex Mex, from TFM for consideration of \$32.7 million." Haverty V.S., KCS-3/TM-3 at 54. This financial transaction has been consummated and the Mexrail stock currently is held in a voting trust pending Board review of this transaction. According to the Applicants, Board approval of this transaction will result in an increased investment by Tex Mex in infrastructure improvements. Riney V.S., KCS-3/TM-3 at 139-140. Significantly, the Applicants state that the three railroads involved in this transaction, GWER, KCR and Tex Mex "will continue to operate as separate railroads, in much the same way as they presently operate." Bouchard V.S., KCS-3/TM-3 at 158.

In consideration of the sworn statements proffered by the Applicants, the BMWE believes the New York Dock employee protective conditions adequately protect the interests of the

employees involved in this transaction.¹ Additionally, the BMW notes that KCSR is a party to the Agreement dated March 21, 2001 between 6 Class I railroads and 11 labor organizations concerning the use of Board imposed employee protective conditions to effect changes in collective bargaining agreements outside the collective bargaining processes provided in the Railway Labor Act, 45 U.S.C. §151, et seq. BMW expects that KCSR will live up to its obligations under that agreement as they are applicable to this transaction.

Respectfully submitted,

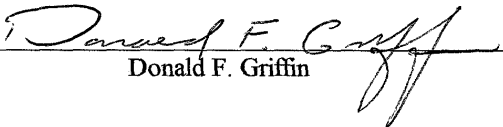
A handwritten signature in black ink, appearing to read "Donald F. Goff", with a stylized flourish at the end.

August 1, 2003

¹The employee protective conditions imposed in New York Dock Ry.-Control-Brooklyn Eastern Dist. Term., 360 I.C.C. 60, aff'd sub nom., New York Dock Ry. v. U.S., 609 F.2d 83 (2d Cir. 1979).

Certificate of Service

I hereby certify that today I served a copy of the foregoing Comments by first class mail delivery on all parties of record in this proceeding.


Donald F. Griffin

Dated: August 1, 2003