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August 22, 2003

BY HAND DELIVERY

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

**ENTERED
Office of Proceedings**

AUG 22 2003

**Part of
Public Record**

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 Secretary Williams:

At the July 31, 2003 Public Hearing held at the Surface Transportation Board regarding the above captioned proceeding, Kansas City Southern ("KCS") officers, Michael R. Haverty and Gerald K. Davies, presented oral statements and answered questions. Both have reviewed the transcript prepared by Neal R. Gross Court Reporters and Transcribers and are submitting herewith their corrections to that transcript for entry into the record.

Please acknowledge receipt of this letter and enclosures by date-stamping the extra copies and returning them to the courier. By copy of this letter and enclosures, I am advising all parties of record in this proceeding and Neal R. Gross Court Reporters and Transcribers of these corrections.

If there are any questions concerning this letter, please contact me at (202) 637-9499 (Ext. 13).

Sincerely,

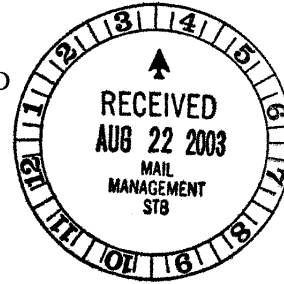
William A. Mullins

Enclosures

cc: The Honorable Roger Nober
All Parties of Record
Neil R. Gross Court Reporters and Transcribers

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

**CORRECTIONS TO TRANSCRIPT
OF THE JULY 31, 2003 PUBLIC HEARING
SUBMITTED BY KANSAS CITY SOUTHERN
FOR SECTIONS RELATED TO THE
ORAL PRESENTATION AND ANSWERS TO QUESTIONS
BY MICHAEL R. HAVERTY**

Page No.	Line No.	Correct Line To Read:
8	18	effective alternative to Union Pacific, Burlington
8	19	Northern Santa Fe and other modes of transportation,
12	11	9 th letter is over reaching at best, and totally
12	12	inconsistent at worst. Over reaching because Union
12	19	decades has vigorously opposed the very same request
12	22	single-line service. They have opposed rate
15	22	for shippers in the NAFTA trade corridor. Thank you very much,
17	1	secretaries of the government. We have
19	18	But I don't see that is any different, as you know
22	5	and a half million dollars into Tex Mex, with the
22	17	connects with Ferromex at Eagle Pass, and then BN
23	7	alternatives to not only go for Eagle Pass, but also
27	5	MR. HAVERTY: -- that applies only to
27	8	conditions with which we had to comply. And there is a

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FOR SECTIONS RELATED TO THE
ORAL PRESENTATION AND ANSWERS TO QUESTIONS
BY GERALD K. DAVIES**

Page No.	Line No.	Correct Line To Read:
155	12	Grain all saying that our transactions are a good deal
156	17	the marketplace. From our competitor railroads,
156	19	KCS-Tex Mex transaction might cause, which is the
156	21	concerns focus on TFM. According to our
157	3	provide stronger competition. Right now, UP and BNSF
157	5	and out of Mexico. Despite alliances with CN and NS, the
157	9	stronger competition from KCS-Tex Mex-TFM because it
158	13	share in Ferromex, TFM's principal rail competitor in
158	18	size between their systems and the commonly controlled
158	20	KCS's negotiation with these mega carriers
159	3	UP's request, specifically, of having the STB
159	4	put a gun to KCS's head to acquiesce to UP's views
159	10	the related service conditions can and should be
160	9	divisions to an ineffective level. KCS is prevented from
160	18	TFM and to Ferromex in Mexico, KCS and Tex Mex only
161	15	You indicated that I should respond to some
161	17	this morning. I've incorporated some of those responses in what I already have said. I have
161	18	some other responses, I'd like to specifically address.
162	3	to other locations on this continent, but to China
162	4	thereby depriving all of us of the transportation opportunities.
162	8	investment in the lines in Mexico and on Tex Mex. Kind of an
162	12	pound welded rail, concrete ties, granite ballast. It's

Page No.	Line No.	Correct Line To Read:
163	5	into theirs. They haven't replicated that billion dollars.
163	17	With respect to CN, I'm not a lawyer and
163	21	understand why we made the investment in TFM. I think Mr.
164	15	CN asserted that we have no plans to invest in
165	4	this morning. For the rest of CN's comments I'm not
166	9	Chairman of Ferromex told Mr. Haverty that he was told
167	9	traffic to and from Mexico via the Laredo Gateway
167	10	when it gave Tex Mex trackage rights over UP to connect
168	3	the Board should grant the Tex Mex-KCS application. Doing
168	4	so will strengthen the route initially put in place by
169	11	install a state-of-the-art customer service
169	19	and frankly, a bigger share of a larger market, because the pie is bigger
171	21	of protocols that will improve access to the bridge.
173	1	MR. DAVIES: Well, I think we've
173	9	integrated operation look like. This transaction won't have any
173	10	impact on TFM's operations.