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August 2, 2004

BY HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

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ENTERED
Office of Proceedings

AUG - 2 2004

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 Fifth Status Report*

Dear Secretary Williams:

Kansas City Southern ("KCS") files this Fifth Status Report in keeping with the Surface Transportation Board's ("STB's") decision served October 8, 2003 ("Decision No. 10"). Decision No. 10 held this proceeding in abeyance and required KCS to keep the Board and interested parties informed respecting KCS's efforts to acquire control of The Texas Mexican Railway Company ("Tex Mex").

As the Board is aware, on September 30, 2003, TFM, S.A. de C.V. ("TFM") repurchased from KCS the shares of Mexrail, the parent company of Tex Mex. Although TFM's repurchase of Mexrail precipitated the Board's decision to hold this proceeding in abeyance, the Board did not dismiss this proceeding because there remained a possibility that KCS could acquire control of Tex Mex through repurchasing the Mexrail shares as a result of continued negotiations or alternatively, through acquiring control of TFM, Mexrail's parent company, through enforcement of the TFM Acquisition Agreement, whereby Grupo TMM, S.A. and its subsidiaries, TMM Holdings, S.A. de C.V. and TMM Multimodal, S.A. de C.V. (collectively "TMM") had agreed to sell their interests in TFM to KCS in exchange for cash and stock.

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Since issuance of Decision No. 10, discussions between TMM and KCS have continued with respect to a possible repurchase by KCS of a controlling stock interest in Mexrail. When circumstances are ripe to request the agency to recommence its procedural schedule in this proceeding, KCS will so advise the Board.

Sincerely,

A handwritten signature in black ink, appearing to read "William A. Mullins", written in a cursive style.

William A. Mullins

cc: Parties of Record