Surface Transportation Board
Washington, D.C. 20423-0001

Office of the Chairman

July 6, 2009

Mr. Michael R. Haverty
Chairman and CEO
Kansas City Southern Railway Co.
427 West 12th Street
Kansas City, MO 64121-9335

Re: Railroad Service Demands

Dear Mr. Haverty:

For the past several years, the Surface Transportation Board (STB) has inquired into the ability of Class I railroads to meet demands for rail service. While 2009 has brought about record losses in shipments, the STB is again asking for the Class I railroads plans to meet the fall peak in order to ensure continuity of the process and to recognize that demands will eventually recover. Therefore, I ask that you provide the following:

- To the extent your railroad has been affected by extreme weather conditions, the effort your railroad has undertaken to restore damaged infrastructure and restore service;

- The steps your railroad is taking to ascertain demand for and prepare for this year's peak shipping season, with an emphasis on the commodity areas of agriculture (grain, grain products, and ethanol), and coal;

- A projection, by month, of your railroad's overall performance goals in the areas of cars-on-line, terminal dwell, train speed, and expected trainmen and engineer employment levels (L600) from September through December of this year;

- Your railroad's plans for achieving those goals; and

- Your railroad's plans to communicate the above information to customers, beyond standard commercial relations;

- The number of freight cars currently in storage (all types), and plans to restore cars to service, should demand exceed expectations;

In addition to the information described above, please submit the following labor and capital-related information:

- Number of furloughs or other force reductions in the operating crafts;
- A description of plans to rehire, or restore operating employees to full service to meet any projected increases in demand due to the fall peak;
- Your railroad's capital plans for the remainder of 2009, versus initial projections for 2009;
- Your railroad's critical capacity-related infrastructure needs; and
- Your railroad's plans for addressing those critical capacity-enhancing infrastructure needs and your expectation for timely completion of those improvements.

I ask that you respond to this letter and provide the Board with this information by August 31, 2009. Please keep in mind that, as has been the case in the past, the Board expects to make your responses public. I look forward to continuing to work together to ensure that rail shippers continue to have efficient and reliable service.

Sincerely,

Francis P. Mulvey
Acting Chairman

cc: Edward R. Hamberger
President and CEO, AAR