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

Office of the Chairman

July 25, 2008

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 has inquired into the ability of Class I railroads to meet demands for rail service. Looking ahead to the rest of 2008, I believe it is necessary for the STB to continue its close monitoring of the railroads' service plans. Therefore, please provide your service plans for the remainder of the year, including:

- To the extent your railroad has been affected by the recent flooding in the Midwest, efforts 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), coal, chemicals, and intermodal;

- 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 to customers.

In addition to the information described above, please send me the following capital-related information:

- Your railroad's capital plans for increasing capacity in 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 28, 2008. Please keep in mind that, as has been the case in the past, the Board expects to make the responses public. I look forward to your responses and to continuing to work together to ensure that the shipping public has efficient and reliable rail service.

Sincerely,

Charles D. Nottingham
Chairman

cc: The Honorable Francis P. Mulvey
The Honorable W. Douglas Buttrey