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

August 1, 2013

Mr. David L. Starling
President and CEO
Kansas City Southern
P.O. Box 219335
Kansas City, MO 64121

Re: End-of-Year 2013 Railroad Service Outlook

Dear David:

Approaching the second half of 2013, the Surface Transportation Board is asking Class I carriers and the American Short Line and Regional Railroad Association (ASLRRA) to provide assessments of their ability to meet expected demands for rail service during the traditional "fall peak." Through the first 7 months of the year, overall industry unit volume growth has been slightly positive as weakness in coal and grain has been offset by strength in petroleum products, sand, lumber, and domestic intermodal shipments. Operating and financial performance has generally remained strong, and to date, weather has not had the national impacts of some prior years. However, the economy still depends on railroads to handle efficiently any seasonal or secular volume increases that may develop over the coming months.

I ask that you provide the Board with a brief description of your outlook and plans for the balance of 2013, including:

- Expectations for any seasonal peaks in carload and both domestic and international intermodal traffic.
- Resources to meet any upticks in volume, including a discussion of freight car, locomotive, and labor (train crew) availability.
- The overall actions your railroad will take to prepare for the end-of-year shipping season, with specific references to critical commodity areas such as: agriculture (grain, grain products, and ethanol), coal, chemicals and intermodal.
- Specific plans to support demands for prompt movement of finished autos and light trucks.

- Specific plans to support growth in demand for movement of crude oil and drilling related products, while maintaining satisfactory service levels to other customers in affected areas.
- A summary of the investments made in freight service and capacity improvements for the past year, as well as areas of existing or anticipated rail traffic congestion (including border crossings and major east-west interchanges) and your plans for remediation.

Please provide the Board with the requested information by August 23, 2013. The Board expects to make your response public. I look forward to your response and to continuing to work together to ensure that the nation has efficient and reliable rail service.

Sincerely,

Daniel R. Elliott III

cc: The Honorable Ann D. Begeman, Vice Chairman
The Honorable Francis P. Mulvey, Commissioner