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July 30, 2019

VIA E-MAIL

Ms. Ann Begeman
Chairman
Surface Transportation Board
395 E Street, SW
Washington DC 20423-0001

Re: Response To December 17, 2018 Letter To Mr. Pat Ottensmeyer

Dear Chairman Begeman:

By letter to Mr. Ottensmeyer dated December 17, 2018, you requested The Kansas City Southern Railway Company ("KCSR") to disclose to the Board KCSR's quarterly revenues from demurrage and accessorial charges, stated separately for 2018 and 2019. You requested the 2018 information by January 21, 2019 and the 2019 data on a quarterly basis by the 15th day of the month following the end of the quarter.

Consistent with your December 17th request, as modified by the dates contained within my December 27th letter, on April 30, 2019, KCSR provided you with its First Quarter 2019 data. KCSR hereby provides you with the Second Quarter 2019 data.

Respectfully submitted,



William A. Mullins
Attorney for The Kansas City Southern Railway
Company

Attachment

cc: Ms. Lucille Marvin
Mr. Pat Ottensmeyer
Mr. Warren Erdman

	Q1 2019 Revenue	Q2 2019 Revenue
	Dollar amount in thousands (rounded to thousands)	
Demurrage [1],[2]	7,227	8,784
Accessorial [3]	2,970	3,457
Total	10,197	12,241

[1] "This account shall include the revenue from the detention of cars incident to loading, unloading, reconsigning, and stops in transit upon the basis of lawful tariffs for demurrage. This account shall also include the revenue from the detention of trailers and containers used in TOFC/COFC service, incident to loading and unloading, upon the basis of tariff rates. NOTE: This account shall be maintained so as to reflect separately (1) revenue from detention of cars, and (2) revenue from detention of trailers and containers used in TOFC/ COFC service." 49 CFR §1201, category 106 (2017). See generally KCSR Tariff 6000-F, effective Feb. 28. 2017, as revised effective April 1, 2019, and related materials found at <http://www.kcsouthern.com/en-us/customer-resources/guidelines-regulations/demurrage> . Stated revenues may also include revenues for similar charges under contracts which are exempt from the Board's authority pursuant to 49 USC §10709.

[2] Q2 Demurrage: In Q2 2019, it was determined that certain charges collected by a 3rd party for intermodal container reservations should be treated as car hire revenue instead of demurrage revenue. In Q2 2019, demurrage revenue was reduced by \$744k due to this reclassification. Going forward, this revenue will be recognized as car hire revenue.

[3] Accessorial revenue includes charges levied pursuant to terms of KCSR Tariff 8100-E, effective Mar. 1, 2018, as revised effective April 1, 2019, found at <http://www.kcsouthern.com/en-us/customer-resources/guidelines-regulations/accessorial-services>, Sections 1 – 2 and 4 - 10. Stated revenues may also include revenues for similar charges under contracts which are exempt from the Board's authority pursuant to 49 USC §10709.