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## Dal-Tile

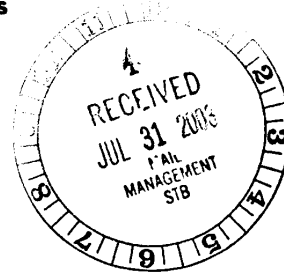
July 23, 2003

Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20423

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Re: Kansas City Southern/NAFTA Rail,  
Finance Docket No. 34342

Dear Secretary Williams:

I am responsible for the cost of rail shipments of raw materials to our plants in Mexico and the U.S.. Our company, Dal-Tile, has an established and growing business with Mexico. I expect the proposed NAFTA rail transaction, which will result in KCS acquiring control of Tex Mex and TFM, will affect rail transportation between the United States and Mexico. As a result, we are taking this opportunity to communicate our views to the Surface Transportation Board.

We support all efforts to guarantee that there will be competitive and efficient rail service via the Laredo Gateway. Any restrictions on access to the Gateway will have a negative impact on our business as well as that of our suppliers and receivers. UP today provides U.S.-Mexico service with TFM via Laredo. I understand that KCS has given assurances to the STB that it will work with UP so that UP-TFM service via the Laredo gateway will be handled fairly, efficiently and without discrimination. Therefore, we ask the STB to impose conditions on approval of the transaction. Those conditions will ensure that we continue to receive efficient UP-TFM service offerings. In short, we ask that the STB require the KCS and its partners to commit in concrete and enforceable terms to competitive rail service between the U.S. and Mexico.

We ask that the STB require NAFTA Rail to abide by KCS's promises to provide the following:

- Fair Treatment and Efficient Operations at the Laredo Bridge
- Non-Discrimination for Service in Mexico
- Equitable and Competitive Rate Factors for UP-TFM Routings via the Laredo Gateway

I appreciate the Board's consideration of these views.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles F. Boulter".

Charles F. Boulter  
Manager Industrial Purchasing  
Corporate Purchasing

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