

KC Southern, CenterPoint, Zimmer, KC SmartPort host trip to Port of Lázaro Cárdenas

From *NASCO Report*, July 1, 2009

PORT OF LAZARO CARDENAS, Michoacan, Mexico - Kansas City Southern de Mexico railroad and its parent KCS Railroad, along with representatives of KC SmartPort, CenterPoint Properties and Zimmer Real Estate Services hosted a delegation of shippers, public officials and other stakeholders for a June 15-16 visit to the Port of Lázaro Cárdenas, a key NASCO member, to highlight the advantages the natural deepwater Pacific Ocean port offers as a gateway to Mexico and U.S. markets.

Various major ocean carriers who call on the Port also took part. In a statement, the railroad said KCSM senior vice president of operations Bill Nolen talked at length on the operational efficiencies of the port and the rail service KCSM offers up through Mexico's major industrial and commerce cities and up through the International Intermodal Corridor.

The delegation also benefited from presentations from the Port Authority of Lazaro Cardenas and Hutchison Port Holdings, the leading private port terminal operator in the world and a growing presence at Lazaro, Hidalgo and along the corridor.

"From its strategic location on the West Coast, to natural amenities and access to KCS' International Intermodal Corridor, the advantages for shippers in using the Port of Lazaro Cardenas are many," said KCSR executive vice president sales and marketing Pat Ottensmeyer.

At the end of the tour, the delegation attended a luncheon offered by Michoacan state Governor Leonel Godoy, state Secretary of Economic Development Eloy Vargas Arreola and eight Mexican congressmen.

Governor Godoy underscored his state governments' strong commitment to the Port of Lazaro and KCS and encouraged shippers to continue to use or begin using Lazaro Cardenas for their business.

"KCSM, the Port and state and federal officials are all working together to maximize the potential of Lazaro Cardenas as an important gateway from Asia to North America, as well as to ensure the safety, security and efficiency of shipments moving through the gateway to the benefit of all stakeholders," said KCSM president and executive representative Jose Zozaya.

Delegation hosts, KCSR, KCSM, KC SmartPort, CenterPoint Properties and Zimmer Real Estate Services, are also involved in various aspects of the development or promotion of the CenterPoint Intermodal Center-Kansas City and CenterPoint Intermodal Center-Houston Metro. The trip was funded by an economic development grant obtained by KC SmartPort.

ANALYSIS - Longtime NASCO member KCS de Mexico railroad is growing as a key actor and an important component of a transcontinental main line that connects the heartland of the United States with the heartland of Mexico and an extended rail network that connects with every other major rail carrier in North America.

The NASCO SuperCorridor includes the Port of Lázaro Cárdenas and major cities, highway and railroad links to several key intermodal facilities up through central and northern Mexico, including San Luis Potosi, Monterrey and Nuevo Laredo, Tamps., and Colombia, N.L. and Laredo, Texas, where it flows north up through the heartland of North America. The greater

Kansas City area is a longtime participant in NASCO and KCSM is a longstanding member of the Coalition as well.

The decade-long, pioneering effort by KCSM and its parent company KCS Railroad within Mexico is dramatically upgrading and modernizing all aspects of freight rail in Mexico and re-connecting Mexico with all parts of North America.

At the recent June 2-4 annual NASCO Conference 2009 in Quebec City, Quebec, Canada, a representative in Mexico of Canadian Pacific Railroad announced to NASCO conference attendees that the Class I Canadian railroad will now be able to connect from Canada to Mexico via a new partnership with KCS and KCS de Mexico, a development that was warmly received as a great breakthrough at the NASCO Conference.