

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Check this box if no longer
subject to Section 16. Form 4 or
Form 5 obligations may continue.
See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility
Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* Warren K. Erdman Kansas City Southern PO Box 219335 Kansas City MO 64121-9335	2. Issuer Name and Ticker or Trading Symbol Kansas City Southern [KSU]	5. Relationship of Reporting Person(s) to Issuer (check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Sr. Vice President
	3. Date of Earliest Transaction Required to be Reported (Month/Day/Year) 11/16/2006	
	4. If amendment, Date Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More Than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (mm/dd/yy)	2A. Deemed Execution Date, if any (mm/dd/yy)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, & 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, & 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	11/16/2006		M		5,400	A	\$1.0204	25,988	D	
Common Stock	11/16/2006		F		1,740	D	\$28.03	24,248	D	
Common Stock								930,284	I	Held by ESOP (1)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

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Period Of Report
 11/16/2006

**Table II -Derivative Securities Acquired, Disposed of, or Beneficially Owned
 (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (mm/dd/yy)	3A. Deemed Execution Date, if any (mm/dd/yy)	4. Transaction Code (Instr. 8)		5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, & 5)		6. Date Exercisable and Expiration Date (mm/dd/yy)		7. Title and Amount of Underlying Securities (Instr. 3 & 4)		8. Price of Derivative Security (Instr. 5)	9. No. of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, & 4)	10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Option (Right to Buy) (2)	\$1.0204	11/16/2006		M (8)			5,400	(3)	01/22/2007	Common Stock	5,400	\$0	0	D	
Limited Right (2)	\$1.0204	11/16/2006		J (8)			5,400	(2)	(2)	Common Stock	5,400	\$0	0	D	
Option (Right to Buy) (2)	\$1.7861							(4)	01/27/2008	Common Stock	12,501		12,501	D	
Limited Right (2)	\$1.7861							(2)	(2)	Common Stock	12,501		12,501	D	
Option (Right to Buy) (2)	\$2.6604								01/01/2000	11/16/2008	Common Stock		3,000	D	
LSAR (2)	\$2.6604							(2)	(2)	Common Stock	3,000		3,000	D	
Option (Right to Buy) (2)	\$2.6604							(5)	11/16/2008	Common Stock	87		87	D	
LSAR (2)	\$2.6604							(2)	(2)	Common Stock	87		87	D	
Option (Right to Buy) (2)	\$2.7665							(5)	01/25/2009	Common Stock	72		72	D	
LSAR (2)	\$2.7665							(2)	(2)	Common Stock	72		72	D	
Option (Right to Buy) (2)	\$5.1637							(6)	02/28/2010	Common Stock	71		71	D	
LSAR (2)	\$5.1637							(2)	(2)	Common Stock	71		71	D	
Option (Right to Buy) (2)	\$5.75								07/13/2003	07/12/2010	Common Stock		15,400	D	
LSAR (2)	\$5.75							(2)	(2)	Common Stock	15,400		15,400	D	

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**Table II -Derivative Securities Acquired, Disposed of, or Beneficially Owned
 (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (mm/dd/yy)	3A. Deemed Execution Date, if any (mm/dd/yy)	4. Transaction Code (Instr. 8)		5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, & 5)		6. Date Exercisable and Expiration Date (mm/dd/yy)		7. Title and Amount of Underlying Securities (Instr. 3 & 4)		8. Price of Derivative Security (Instr. 5)	9. No. of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, & 4)	10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Option (Right to Buy) (2)	\$5.75							07/13/2001	07/12/2010	Common Stock	77,000		77,000	D	
LSAR (2)	\$5.75							(2)	(2)	Common Stock	77,000		77,000	D	
Option (Right to Buy) (2)	\$14.34							(7)	02/26/2011	Common Stock	480		480	D	
LSAR (2)	\$14.34							(2)	(2)	Common Stock	480		480	D	
Option (Right to Buy) (2)	\$13.42							02/06/2002	02/05/2012	Common Stock	513		513	D	
LSAR (2)	\$13.42							(2)	(2)	Common Stock	513		513	D	
Option (Right to Buy) (2)	\$12.55							01/16/2003	01/15/2013	Common Stock	670		670	D	
LSAR (2)	\$12.55							(2)	(2)	Common Stock	670		670	D	
Option (Right to Buy) (2)	\$12.55							01/16/2008	01/15/2013	Common Stock	15,000		15,000	D	
LSAR (2)	\$12.55							(2)	(2)	Common Stock	15,000		15,000	D	
Option (Right to Buy) (2)	\$14.60							01/02/2005	01/01/2014	Common Stock	6,000		6,000	D	
LSAR (2)	\$14.60							(2)	(2)	Common Stock	6,000		6,000	D	
Option (Right to Buy) (2)	\$14.53							02/09/2004	02/08/2014	Common Stock	699		699	D	
LSAR (2)	\$14.53							(2)	(2)	Common Stock	699		699	D	

Explanation of Responses:

Form 4 (cont.)

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Explanation of Responses (cont.)

- (1) - 930.284 shares have accrued to my account under the Company's employee stock ownership plan.
- (2) - Limited Rights and Limited Stock Appreciation Rights ("LSARs") are granted in tandem with stock options. Limited Rights and LSARs become exercisable only following a change-in-control of the Company in lieu of related options and are exercisable only for cash. Limited Rights and LSARs terminate when the related options are exercised or terminated.
- (3) - 2,700 options became exercisable on 01/23/99 and 2,700 options became exercisable on 01/23/00.
- (4) - Became exercisable when the KCS Common stock price reached defined benchmark levels that were maintained or exceeded for 30 consecutive trading days.
- (5) - These options became exercisable in installments: 25% on 06/23/99, 25% on 06/23/00 and 50% on 06/23/01.
- (6) - These options became exercisable in installments: 25% on 03/01/00, 25% on 06/23/00 and 50% on 06/23/01.
- (7) - 240 options became exercisable on 02/27/01 and 240 options became exercisable on 06/23/01.
- (8) - Options exercised in rule 16b-3 exempt transaction. Limited Rights canceled with respect to such shares.

By: Julie D. Powell, Attorney-in-fact
**Signature of Reporting Person

11/17/2006
Date

**Intentional misstatements or omissions of facts constitute Federal Criminal Violations.

See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.

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