Shoener Arthur L Form 4 June 14, 2006

FORM 4

OMB APPROVAL

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16.

Washington, D.C. 20549

January 31, Expires: 2005

Form 4 or

Estimated average burden hours per

Form 5 Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940 See Instruction

response... 0.5

1(b).

Stock

(Print or Type Responses)

1. Name and Add Shoener Arthu	•	orting Person *	2. Issuer Name and Ticker or Trading Symbol NAME AS CITY SOUTHERN INSIDE	5. Relationship of Reporting Person(s) to Issuer			
(Last)	(First)	(Middle)	KANSAS CITY SOUTHERN [KSU] 3. Date of Earliest Transaction	(Check all applicable)			
			(Month/Day/Year)	Director 10% Owner			
KANSAS CITY SOUTHERN, PO BOX 219335			06/13/2006	X Officer (give title Other (specibelow) President & COO			
(Street)			4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check			
			Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person			
KANSAS CITY, MO 64121-9335				Form filed by More than One Reporting Person			

(City)	(State) (Z	Zip) Table	I - Non-De	erivative S	ecuriti	es Acq	uired, Disposed o	f, or Beneficial	ly Owned
1.Title of Security	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if	3. Transaction	4. Securitin(A) or Dis	•		5. Amount of Securities	6. Ownership Form: Direct	7. Nature of Indirect
(Instr. 3)	any (Month/Day/Year		Code	ode (D)		Beneficially	(D) or	Beneficial Ownership (Instr. 4)	
			(Instr. 8)	(A)			Owned Following Reported Transaction(s)		
			Code V	Amount	or (D)	Price	(Instr. 3 and 4)		
Common Stock	06/13/2006		A	10,000	A	\$0	76,375	D	
Common							1,632.542	I	By 401(k) & P/S Plan

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

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(2)

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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 (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transactic Code (Instr. 8)	5. onNumber of Derivativ Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		Underlying Securities (Instr. 3 and 4)		8. F Der Sec (Ins
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Employee Stock Option (Right to Buy) (1)	\$ 16.91					01/04/2010	01/03/2015	Common Stock	60,000	
LSAR (1)	\$ 16.91					<u>(1)</u>	<u>(1)</u>	Common Stock	60,000	

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Shoener Arthur L KANSAS CITY SOUTHERN PO BOX 219335 KANSAS CITY, MO 64121-9335

President & COO

Signatures

Jay M. Nadlman, Attorney-in-fact 06/14/2006

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- Limited Stock Appreciation Rights ("LSARs") are granted in tandem with stock options. LSARs become exercisable only following a change-in-control of the Company in lieu of related options and are exercisable only for cash. LSARs terminate when the related options are exercised or terminated.
- (2) Includes 276.446 shares acquired under the KCS 401(k) and Profit Sharing Plan since the date of the reporting person's last ownership report.

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

Reporting Owners 2

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