KANSAS CITY SOUTHERN

Form 4

January 23, 2007

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL

OMB Number: 3235-0287

Expires:

January 31, 2005

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Section 17(

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(b).

(Print or Type Responses)

See Instruction

1. Name and Address of Reporting Person * Shoener Arthur L			2. Issuer Name and Ticker or Trading Symbol KANSAS CITY SOUTHERN [KSU]					5. Relationship of Reporting Person(s) to Issuer			
(Last)	(First)	(Middle)	3. Date of Earliest Transaction					(Check all applicable)			
KANSAS C BOX 21933	(Month/Day/Year) 01/19/2007					Director 10% Owner X Officer (give title Other (specify below) below) President & COO					
(Street)			4. If Amendment, Date Original Filed(Month/Day/Year)					6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person			
KANSAS C						Form filed by More than One Reporting Person					
(City)	(State)	(Zip)	Table	e I - Non-D	erivative	Secur	rities Acq	uired, Disposed o	f, or Beneficial	ly Owned	
1.Title of Security (Instr. 3)	2. Transaction D (Month/Day/Yea	ar) Execution any	med on Date, if Day/Year)	3. Transaction Code (Instr. 8)	4. Securi n(A) or Di (Instr. 3,	ispose	d of (D)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)		
Common Stock	01/19/2007			F	337	D	\$ 29.89	109,981 (3)	D		
Common Stock								2,279.618	I	By 401(k) & P/S Plan (2)	

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

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SEC 1474

(9-02)

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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. Transacti Code (Instr. 8)	TransactionNumber Expiration Date Code of (Month/Day/Year)		te	7. Title and Amount of 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

Julie D. Powell, Attorney-in-fact 01/23/2007

**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) 2279.618 shares have accrued to the reporting person's account under the KCS 401(k) and Profit Sharing Plan.
- (3) Includes 1119 shares acquired through the KCS Employee Stock Purchase Plan.

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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