

Daniel T. White,

Petitioner,

v.

Kansas City Southern Railway Company,
The Texas Mexican Railway Company, and
Canadian Pacific Kansas City Limited,
Respondents.

STB Finance Docket No. 34342

ENTERED
Office of Chief Counsel
April 24, 2026
Part of
Public Record

PETITION FOR REVIEW AND/OR DECLARATORY ORDER

I. INTRODUCTION

Petitioner respectfully seeks review and/or a declaratory order from the Surface Transportation Board regarding an arbitration award issued pursuant to New York Dock conditions in connection with STB Finance Docket No. 34342. The award at issue, dated April 1, 2026, was issued by Neutral Michael D. Phillips and purports to authorize the imposition of the MidSouth collective bargaining agreement upon employees governed by the Texas Mexican Railway (“Tex-Mex”) agreement.

Petitioner is a locomotive engineer employed on the former Tex-Mex property and is directly affected by the arbitration award, including the imposition of the MidSouth agreement and the resulting changes to seniority, assignments, and working conditions. Petitioner is also a member of the Brotherhood of Locomotive Engineers and Trainmen (“BLET”), but submits this petition solely in an individual capacity and does not purport to represent any labor organization or collective bargaining representative.

Following the consummation of the merger on April 14, 2023, Kansas City Southern Railway Company became part of Canadian Pacific Kansas City Limited (“CPKC”), which now exercises operational control over the relevant properties and agreements. References herein to the Carrier include CPKC and its operating subsidiaries as appropriate.

This petition presents a straightforward but substantial question of agency authority: whether New York Dock implementation procedures may be used not to carry out the limited transaction approved by the Board, but to eliminate an existing contractual and operational structure and replace it with a different labor regime. The arbitration award answers that question in the affirmative by allowing the Tex-Mex agreement to be displaced and replaced with the MidSouth agreement. That conclusion cannot be reconciled with either the Board’s approval decision or the limited scope of New York Dock authority.

The award exceeds the lawful scope of New York Dock implementation authority, violates explicit and binding representations relied upon by the Board in approving the underlying transaction, and authorizes structural changes that are neither required by nor sufficiently

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connected to that transaction. What the Board approved was a control transaction conditioned on preservation of agreements and structure; what the award authorizes is a form of integration-through-arbitration that the Board neither approved nor permitted.

This petition therefore seeks both review of the award and a declaratory ruling clarifying the limits of implementation authority in this docket. Absent such intervention, the award will stand as a vehicle for using transaction-related procedures to accomplish broader contractual replacement and system restructuring that were outside the premise on which Board approval was obtained.

II. BACKGROUND

Following the consummation of the merger on April 14, 2023, Kansas City Southern Railway Company became part of Canadian Pacific Kansas City Limited (“CPKC”), which now exercises operational control over the relevant properties and agreements. References herein to the Carrier include CPKC and its operating subsidiaries as appropriate.

In STB Finance Docket No. 34342, the Board approved the acquisition of control involving Kansas City Southern Railway Company and Tex-Mex. That approval was expressly conditioned upon representations made by the applicants (the “Five Commitments” set forth in STB Finance Docket No. 34342), which formed the basis for the Board’s determination that the transaction would not result in structural disruption, including that existing collective bargaining agreements would remain in force and that Tex-Mex’s operational structure would not be fundamentally altered except through negotiation.

The Board did not treat these representations as incidental. Rather, they were central to the Board’s determination that the transaction would not produce disruptive labor or operational consequences.¹ The transaction was approved as a limited control transaction, not as a system integration.

The distinction is critical. The Board’s approval rested on:

- Preservation of Tex-Mex’s operational identity
- Continuation of its agreements
- Absence of structural consolidation

Those conditions define the outer boundary of lawful implementation.

The Board’s approval of the transaction in Docket No. 34342 was expressly predicated on representations made by the applicants—including that the Tex-Mex agreement would remain in force and that the basic structure and operations of Tex-Mex would not be altered except through negotiation. These representations were not collateral statements or mere advocacy; they were the operative premise on which the Board approved a limited control transaction rather than a system integration. The Board incorporated those representations as conditions of approval and required the applicants to adhere to them.

That point matters because the present dispute is not merely about the meaning of any individual agreement provision. It concerns whether the carrier may use New York Dock procedures to accomplish what the Board understood, in approving the transaction, would not occur—namely, the alteration of the existing Tex-Mex contractual and operational framework through its replacement with a different system.

The transaction was approved on the premise that Tex-Mex's agreements and operational structure would remain intact; that premise defines—and limits—the scope of lawful implementation. If the carrier wished to go beyond that premise, the proper course would have been to seek approval or to proceed through lawful bargaining mechanisms, not to invoke transaction-implementation authority as a substitute for either.

III. THE ARBITRATION AWARD

The arbitration proceeding arose under Article I, Section 4 of the New York Dock conditions. That provision authorizes arbitration only for disputes concerning the implementation of transaction-related changes.

The award issued April 1, 2026, does not confine itself to implementation. It authorizes:

- Elimination of the Tex-Mex agreement
- Imposition of the MidSouth agreement
- Consolidation of seniority systems
- Reorganization of assignments and territorial structure

These are not incremental adjustments. They constitute a complete reconfiguration of the governing labor and operational framework.

That distinction is central. New York Dock implementation authority is limited in both purpose and scope. It exists to permit changes necessary to carry out an approved transaction while protecting employees from adverse consequences. It does not exist to permit a carrier to discard one existing agreement and substitute another simply because a different system is viewed as more efficient, more convenient, or more desirable from a managerial standpoint.

The award therefore operates not as an implementation device, but as a mechanism of structural replacement. Rather than identifying discrete, transaction-driven changes and determining whether they are necessary to effect the approved control transaction, the award effectively treats the existence of the transaction as a sufficient basis for wholesale contractual substitution. That is not the law under New York Dock, and it is not what the Board approved in this docket.

IV. GROUNDS FOR RELIEF

A. The Award Violates Explicit STB-Imposed Conditions

The Board's approval of Docket No. 34342 was explicitly conditioned upon the applicants' representations that Tex-Mex agreements would remain in force and that its operational structure would not be fundamentally altered. ² The arbitration award authorizes precisely the type of

change the Board was assured would not occur. It permits the elimination of the Tex-Mex agreement and its replacement with a different agreement governing a different system. This is not a deviation at the margins; it is a repudiation of the premise on which approval was granted.

Administrative law is clear: agency approvals conditioned upon representations are binding.³ An implementing mechanism—such as New York Dock arbitration—cannot be used to nullify those conditions. To permit such a result would allow the implementation process to undo the very premise that justified the Board's approval. The arbitration award cannot be reconciled with the conditions upon which the Board approved the transaction. As set forth above, the Board's approval was expressly predicated on representations that the Tex-Mex agreement would remain in force and that its operational structure would not be fundamentally altered except through negotiation. Those representations were incorporated as conditions of approval and formed a central basis for the Board's decision.

The award authorizes precisely the type of structural change the Board was assured would not occur. By permitting the elimination of the Tex-Mex agreement and the imposition of a different contractual framework, the award effectively nullifies the conditions upon which approval was granted. New York Dock procedures cannot be used to accomplish indirectly what the Board did not authorize directly.

The carrier's position, if accepted, would invert the logic of the Board's approval. It would mean that representations made to secure approval could later be displaced through implementation procedures once the transaction was complete. But that would render conditions of approval functionally meaningless. If a carrier may obtain approval on one set of representations and then invoke New York Dock to authorize the opposite result, those representations cease to function as conditions at all. The Board's approval becomes detached from the premise on which it was granted. That is not how agency approvals operate, and it is not how this docket should be read.

B. The Arbitrator Exceeded Jurisdiction Under New York Dock

New York Dock conditions derive from New York Dock Railway—Control—Brooklyn Eastern District Terminal and provide a limited grant of authority. Article I, Section 4 authorizes arbitration only to resolve disputes concerning changes necessary to effect the approved transaction.⁴

This authority does not extend to:

- Replacing collective bargaining agreements
- Eliminating contractual systems
- Imposing alternative frameworks

The award does all three. It does not interpret the Tex-Mex agreement. It eliminates it. That is not implementation—it is substitution of a new contractual regime. Such action exceeds the jurisdiction conferred under New York Dock and constitutes an ultra vires use of arbitral authority.

That jurisdictional overreach is not cured by labeling the result “necessary.” The jurisdiction granted to a neutral under New York Dock is limited by the nature of the underlying transaction and the necessity of the change. It is not an open-ended authority to redesign the labor structure of a railroad property whenever the carrier can articulate a managerial preference for consolidation. The neutral’s role is bounded by the Board’s approval and by the protective conditions imposed in connection with that approval.

Here, the award goes beyond resolving an implementation dispute and instead authorizes a broad restructuring of the governing labor framework. Because that exceeds the subject matter committed to New York Dock arbitration, the award is not merely wrong; it is jurisdictionally defective.

C. The Award Impermissibly Expands the Scope of the Approved Transaction

The Board approved a control transaction—not a consolidation of labor systems.

The arbitration award expands that transaction by:

- Merging bargaining structures
- Eliminating territorial distinctions
- Replacing localized agreements with system-wide constructs

These changes were neither contemplated nor approved by the Board.

A carrier may not obtain approval for a limited transaction and then, through implementation procedures, achieve a broader restructuring that would have required separate Board review.

The significance of this point is not semantic. “Control” and “integration” are not interchangeable concepts. The Board approved the former while expressly relying on representations that disclaimed the latter. The award, however, treats control as if it necessarily permits or requires integration. That is precisely the move the Board’s conditions were designed to prevent.

If the carrier wished to pursue a broader consolidation of agreements, labor systems, and territorial structure, it needed either separate approval, lawful bargaining, or some other authorized mechanism. It could not bootstrap that broader objective onto a previously approved control transaction by calling it implementation. The award thus impermissibly enlarges the scope of the transaction after the fact.

D. The Award Undermines New York Dock Protections

New York Dock conditions are designed to mitigate harm—not to impose structural change.

The replacement of the Tex-Mex agreement:

- Eliminates negotiated protections
- Alters wage and assignment structures
- Reconfigures seniority rights

These changes go beyond mitigation. They transform the underlying employment relationship. New York Dock is a protective regime, not a restructuring mechanism.⁵

The point of New York Dock is to protect affected employees when transaction-related changes are lawfully required. It is not to supply a procedural vehicle for carriers to replace existing rights with new ones under the guise of implementation. Yet that is exactly what the award does here. Rather than safeguarding employees against the impact of a specific transaction-related change, it authorizes the displacement of the very contractual framework that defined their protections in the first place.

That result is incompatible with the protective purpose of New York Dock. A protective condition cannot be interpreted so broadly that it becomes the instrument of the harm it was designed to guard against.

E. The Award Fails to Establish the Required Connection to the Approved Transaction

Under New York Dock, arbitration authority is limited to changes that are necessary to effect the approved transaction.⁶ The ICC and the Board have consistently required that post-transaction actions bear a demonstrable connection to the transaction itself. Not every post-merger change qualifies as implementation. The arbitration award contains no analysis demonstrating that elimination of the Tex-Mex agreement—or imposition of the MidSouth agreement—is necessary to effectuate the transaction approved in Docket No. 34342.

Instead, the award assumes that consolidation is necessary without establishing:

- Why Tex-Mex structure cannot coexist with control
- Why agreement replacement is required
- Why lesser modifications are insufficient

This failure is dispositive. Absent a demonstrated connection between the changes imposed and the approved transaction, New York Dock authority does not apply.

The defect here is not merely that the neutral reached the wrong conclusion. It is that the award bypasses the analytical step that New York Dock requires. It does not show why the particular measures authorized are transaction-driven as opposed to policy-driven, convenience-driven, or integration-driven. It does not explain why the approved control transaction cannot function without eliminating the Tex-Mex agreement. Nor does it analyze whether more limited changes could address any genuine transaction-related concerns.

By omitting that analysis, the award collapses the distinction between “following the transaction” and “being required by the transaction.” That distinction is the heart of the New York Dock limitation. Without it, every later managerial initiative can be recast as implementation, and the requirement of necessity loses all meaning.

F. The Award Authorizes Structural Replacement, Not Implementation

The distinction between implementation and replacement is dispositive.

Implementation preserves structure while accommodating change. Replacement eliminates structure and substitutes a new system. The award:

- Eliminates Tex-Mex
- Imposes MidSouth
- Consolidates seniority
- Reorganizes assignments

This is structural replacement. New York Dock does not authorize such action. ⁷

What the award authorizes is not incidental modification of work rules or procedural harmonization at the margins. It is the destruction of one governing framework and the imposition of another. In substance, it replaces one labor order with a different labor order. That is not implementation in any ordinary legal sense, and it is certainly not implementation as contemplated by a docket in which the Board approved control while relying on preservation of agreements and structure.

This distinction should control the Board's review. Once it is recognized that the award authorizes replacement rather than implementation, the outcome follows: the award exceeds the permissible bounds of New York Dock authority and cannot stand.

G. The Arbitrator Improperly Equates Efficiency with Necessity

The award relies on a claim of "necessity" grounded in operational efficiency.

However, necessity under New York Dock is a legal standard requiring proof that the change is required to effectuate the transaction—not merely that it is beneficial. The award fails to distinguish between:

- Operational preference
- Legal necessity

This error expands New York Dock authority beyond its lawful limits.

Efficiency may explain why a carrier wants a given outcome. It does not establish that the outcome is legally necessary to carry out a Board-approved transaction. The award's analysis, however, effectively substitutes a managerial rationale for a legal one. Once that substitution occurs, New York Dock ceases to function as a limited implementation mechanism and becomes a general tool of labor restructuring.

That is the wrong standard. The question is not whether the carrier's preferred arrangement is more streamlined or administratively attractive. The question is whether the approved transaction can be effectuated without the change. The award does not answer that question, and its failure to do so is a central legal defect.

H. The Award Reflects a Broader System-Wide Consolidation Strategy

The arbitration award must be understood in the context of the carrier's broader efforts to consolidate agreements into a unified system. The carrier has advanced a system-wide "Hourly Agreement" proposal, circulated in or about 2025, which contemplates:

- Replacement of existing agreements
- Consolidation of territories
- Creation of a unified seniority structure

While not formally in the record, this proposal is within the carrier's control and may be produced upon request. Its existence demonstrates that the arbitration award is not transaction-specific. It is part of a broader strategy of system-wide consolidation. New York Dock does not authorize the use of transaction procedures to achieve independent restructuring objectives.

This broader context is probative because it reveals the likely function of the award within the carrier's larger labor strategy. If the same core objectives—agreement replacement, territorial consolidation, and system-wide labor uniformity—appear in both the award and the carrier's broader proposals, then it is reasonable to conclude that the award is serving that larger project rather than merely addressing some narrow transaction-specific need.

That does not require the Board to resolve the status of the Hourly Agreement itself. It requires only recognition that the existence of such a proposal undermines any claim that the award is narrowly tailored to the needs of Docket No. 34342. New York Dock cannot be used as a stepping-stone toward broader restructuring that would not independently qualify as implementation of the approved transaction.

V. REQUEST FOR RELIEF

Petitioner respectfully requests that the Board:

1. Set aside the arbitration award, in whole or in part, to the extent it authorizes replacement of the Tex-Mex agreement.
2. Issue a declaratory order confirming that:
 - The Tex-Mex agreement must remain in force
 - New York Dock does not authorize agreement replacement
3. Confirm that New York Dock authority is limited to changes necessary to effectuate the approved transaction.
4. Remand the matter for further proceedings applying the correct legal standard.
5. Require production of relevant materials, including system-wide consolidation proposals, if necessary.
6. Issue a stay, or in the alternative a temporary stay, of implementation of the April 1, 2026 arbitration award pending full review by the Board.
7. Grant such further relief as the Board deems just and proper.

The relief requested is both corrective and clarifying. Petitioner asks not only that the award be reviewed and set aside to the extent it exceeds lawful authority, but also that the Board reaffirm

that implementation authority cannot be used to alter the premise on which its approval was granted. That clarification is necessary to prevent recurrence of the same error in further proceedings and to preserve the integrity of the conditions on which the Board's approval rested.

A remand, if ordered, should therefore be accompanied by explicit guidance that New York Dock does not authorize wholesale agreement replacement absent a demonstrated showing that such action is necessary to effectuate the approved transaction. Without that guidance, the same overbroad theory of implementation could simply be repackaged and presented again.

VI. CONCLUSION

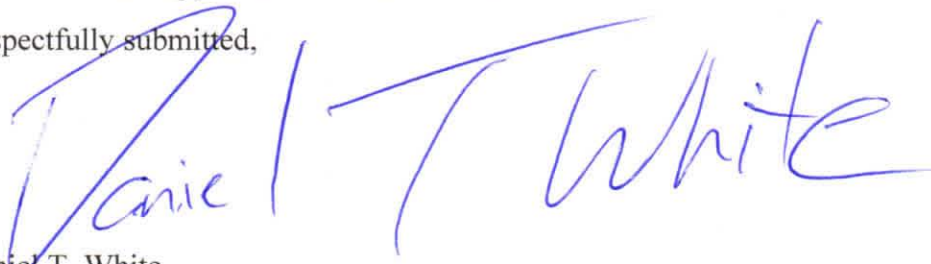
The arbitration award exceeds New York Dock authority, violates binding Board conditions, and authorizes changes that lack the required connection to the approved transaction. The Board approved a transaction based on preservation of structure. The award authorizes its elimination.

The Board should intervene.

More specifically, the Board should reaffirm that a limited control transaction approved on the basis of preserving agreements and operational structure cannot later be transformed, through implementation procedures, into a mechanism for contractual replacement and system consolidation. To hold otherwise would permit the conditions of approval to be consumed by the implementation process itself.

For these reasons, the petition should be granted, the requested declaratory relief should issue, and the award should be set aside to the extent it exceeds the lawful bounds of New York Dock and the Board's approval in Docket No. 34342.

Respectfully submitted,



Daniel T. White
Locomotive Engineer
1926 Red Cedar Trail
Rosenberg, TX 77471
dtwhite73@protonmail.com
713-410-5750
Date: April 21, 2026

CERTIFICATE OF SERVICE

I hereby certify that on this 21st day of April, 2026, a true and correct copy of the foregoing Petition for Review and/or Declaratory Order, together with the accompanying Emergency Motion for Stay and Request for Waiver of Filing Fee, was served upon all parties of record in STB Finance Docket No. 34342, including successor entities and counsel for Respondents, to the

extent known and reasonably ascertainable, by United States mail, properly addressed, postage prepaid, and by electronic mail where addresses were available.

Service was directed to the following, among others:

Kansas City Southern Railway Company
c/o Canadian Pacific Kansas City Limited
427 West 12th Street
Kansas City, MO 64105
United States

Canadian Pacific Kansas City Limited
c/o Legal Department
427 West 12th Street
Kansas City, MO 64105
United States

Canadian Pacific Kansas City Limited
7550 Ogden Dale Road SE
Calgary, Alberta T2C 4X9
Canada

Daniel T. White

NOTES/AUTHORITIES

1. STB Finance Docket No. 34342, Board approval decision.
2. Id.
3. Motor Vehicle Mfrs. Ass'n v. State Farm Mut. Auto. Ins. Co., 463 U.S. 29 (1983).
4. New York Dock Ry.—Control—Brooklyn Eastern Dist. Terminal, 360 I.C.C. 60 (1979).
5. New York Dock, 360 I.C.C. 60.
6. Id.
7. Id.