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SERVICE DATE - FEBRUARY 27, 1998

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. MC-F-20915

SUBURBAN TRANSIT CORP., ET AL.--POOLING--
AMERICAN LIMOUSINE SERVICE, INC.

AGENCY: Surface Transportation Board.

ACTION: Notice of Proposed Coordinated Service and Revenue Pooling Application.

SUMMARY: Suburban Transit Corp. (Suburban Transit) and Suburban Trails, Inc. (Suburban Trails) (collectively Suburban), both of New Brunswick, NJ, and American Limousine Service, Inc. (American), of Hamilton Township, NJ, jointly seek approval of a coordinated service and revenue pooling agreement under 49 U.S.C. 14302, with respect to their motor passenger transportation services between a park and ride facility near Exit 8A of the New Jersey Turnpike and routes feeding that facility, and New York, NY (the "8A Area Service").

DATES: Comments on the proposed agreement may be filed with the Board in the form of verified statements on or before March 30, 1998. If comments are filed, applicants' rebuttal statement is due on or before April 20, 1998.

ADDRESSES: Send an original and 10 copies of any comments referring to STB Docket No. MC-F-20915 to: Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, send one copy of any comments to each of applicants' representatives: (1) Betty Jo Christian, Steptoe & Johnson LLP, 1330 Connecticut Avenue, N.W., Washington, DC 20036; and (2) Joseph J. Ferrara, Ferrara & Associates, 921 Bergen Avenue, #806, Jersey City, NJ 07306.

FOR FURTHER INFORMATION CONTACT: Joseph H. Dettmar, (202) 565-1600. [TDD for the hearing impaired: (202) 565-1695.]

SUPPLEMENTARY INFORMATION: Under the proposed pooling agreement, applicants seek approval to pool a portion of their services over routes which they both operate and to share the revenues derived from their operations over those routes.

Suburban Transit, a commuter bus carrier, holds operating authority in No. MC-115116 and operates from Middlesex, Somerset and Mercer counties in central New Jersey to New York City along numerous routes.

Suburban Trails holds operating authority in No. MC-149081 and operates two regular routes: the Route 9 corridor service, in coordination with New Jersey Transit, and the Hightstown "8A Area Service," the route involved in the instant pooling application. Suburban Trails also operates domestic and international charter service.

American holds operating authority in No. MC-186879 and operates, in addition to the routes involved here, two intrastate routes between points in Middlesex and Mercer Counties and Atlantic City, NJ, as well as interstate and intrastate charter service.

Applicants are competitors on the "8A Area Service" route. Because their competing services are performed at nearly the same scheduled times, which causes both carriers to operate only partially loaded buses, applicants claim that their operations are inefficient and costly. As a consequence, they state that they are unable to compete effectively with Amtrak, New Jersey Transit, van pools, and private automobiles.

Applicants assert that there is substantial intermodal competition on the pooled route to protect the public and that the pooling agreement does not threaten to produce an unreasonable restraint on competition. They note keen competition from other modes of passenger travel in the area, including 4 commuter hour trains operated by Amtrak, 12 commuter hour trains operated by New Jersey Transit, vanpools, and private automobiles.

Pooled services, according to applicants, will enable them to increase their passenger load per bus, thereby reducing their overall cost of operations, and, in turn, make their services more competitive. In addition, applicants point out that pooling their operations will benefit passengers by: (1) providing a greater choice of departure times; (2) allowing applicants to honor each other's tickets; (3) arranging for PM departures from the same departure area; (4) utilizing a common dispatcher where feasible; and (5) accepting passengers from disabled buses in the event of a breakdown. By pooling their revenues, applicants expect to enhance their financial stability in a manner that neither could achieve alone through individual operations in the 8A Area Service. This, in turn, will improve service to the public by allowing applicants to better manage their pricing structures and capital improvements, including the replacement of vehicles.

Applicants state that they are not domiciled in Mexico and are not owned or controlled by persons of that country. Moreover, they assert that approval of the application will not significantly affect either the quality of the human environment or the conservation of energy resources. Rather, they claim that the transaction will result in the conservation of fuel and the reduction of emissions.

Copies of the pooling application may be obtained free of charge by contacting applicants' representatives. Alternatively, the pooling application may be inspected at the offices

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of the Surface Transportation Board, Room 755, during normal business hours. A copy of the notice will be served on the U.S. Department of Justice, Antitrust Division, 10th Street & Pennsylvania Avenue, N.W., Washington, DC 20530.

Decided: February 18, 1998.

By the Board, Chairman Morgan and Vice Chairman Owen.

Vernon A. Williams
Secretary