

SURFACE TRANSPORTATION BOARD

DECISION

STB No. MC-F-20911

GREYHOUND LINES, INC.--CONTROL--VALLEY TRANSIT COMPANY, INC.

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Approving Finance Transaction.

SUMMARY: Greyhound Lines, Inc. (Greyhound or applicant) has filed an application under 49 U.S.C. 14303 to acquire control of Valley Transit Company, Inc. (Valley).¹ Persons wishing to oppose the application must follow the rules under 49 CFR part 1182, subpart B. The Board has tentatively approved the transaction, and, if no opposing comments are timely filed, this notice will be the final Board action.

DATES: Comments are due by August 18, 1997. Applicant may reply by September 2, 1997. If no comments are received by August 18, 1997, this notice is effective on that date.

ADDRESSES: Send an original and 10 copies of any comments referring to STB Docket No. MC-F-20911 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 applicant's representative: Fritz R. Kahn, Suite 750 West, 1100 New York Avenue, N.W., Washington, DC 20005-3934.

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

SUPPLEMENTARY INFORMATION: Greyhound is a motor passenger carrier operating nationwide, scheduled regular-route service. Valley is also a motor passenger carrier, operating scheduled, regular-route service in the State of Texas.

Under the proposed transaction, Valley will remain a separate corporation but become a wholly owned subsidiary of Greyhound. Greyhound currently has an action before the Board to acquire Carolina Coach Company, Inc., Kannapolis Transit Company, and Seashore Trailways. Greyhound also controls Texas, New Mexico & Oklahoma Coaches, Inc., Continental Panhandle Lines, Inc., Vermont Transit Company, Inc., Los Rápidos, Inc., and Grupo Centro, Inc. (Grupo), each of which is a regional motor passenger carrier.

Applicant asserts that the aggregate gross operating revenues of Greyhound and its affiliates exceeded \$2 million during the twelve months preceding the filing of this application (the minimum gross operating revenues required to trigger section 14303). Applicant also states that the proposed transaction will have no competitive effects, and that the operations of the carriers involved will remain unchanged; that the total fixed charges associated with the proposed transaction are well within Greyhound's financial means; and that there will be no change in the status of any employees of Valley, and only minimal changes in the status of a few Greyhound employees. According to applicant, the affected Greyhound employees will be accommodated pursuant to the collective bargaining agreements with the unions representing them. Thus, applicant asserts, because no employees will be adversely affected, no conditions need be attached for their protection.

¹ Greyhound will also be purchasing certain noncarrier properties controlled by the stockholders of Valley, i.e., Valley Bus Company, Inc., Valley Express Co., Inc., Valley GMC Truck Company, Valley Bus Service Company, First Texas Commercial, Inc., Valley Garage, Inc. VDR Services, Inc., First Bus Corporation, and Motor Coach Leasing Co., Inc.

Applicant certifies that the pertinent carrier parties have satisfactory safety fitness ratings (including Greyhound's affiliates, except Grupo, a newly organized motor carrier); that Greyhound and Valley maintain sufficient liability insurance and are neither domiciled in Mexico nor owned or controlled by persons of that country; and that approval of the transaction will not significantly affect either the quality of the human environment or the conservation of energy resources. Additional information may be obtained from applicant's representative.

Under 49 U.S.C. 14303(b), we must approve and authorize a transaction we find consistent with the public interest, taking into consideration at least: (1) the effect of the transaction on the adequacy of transportation to the public; (2) the total fixed charges that result; and (3) the interest of affected carrier employees.

On the basis of the application, we find that the proposed acquisition of control is consistent with the public interest and should be authorized. If any opposing comments are timely filed, this finding will be deemed as having been vacated and a procedural schedule will be adopted to reconsider the application. If no opposing comments are filed by the expiration of the comment period, this decision will take effect automatically and will be the final Board action.

This decision will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. The proposed acquisition of control is approved and authorized, subject to the filing of opposing comments.
2. If timely opposing comments are filed, the findings made in this decision will be deemed as having been vacated.
3. This decision will be effective on August 18, 1997, unless timely opposing comments are filed.
4. A copy of this notice will be served on the Department of Justice, Antitrust Division, 10th Street & Pennsylvania Avenue, N.W., Washington. DC 20530.

Decided: June 24, 1997.

By the Board, Chairman Morgan and Vice Chairman Owen.

Vernon A. Williams
Secretary