

29248

SERVICE DATE - JUNE 19, 1998

EB

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Docket No. MC-F-20921]

Coach USA, Inc.--Control--Blue Bird Coach Lines, Inc.; Butler Motor Transit, Inc.; Gad-About Tours, Inc.; P&S Transportation, Inc.; Pittsburgh Transportation Charter Services, Inc.; Syracuse and Oswego Coach Lines, Inc.; Tippet Travel, Inc., d/b/a Marie's Charter Bus Lines; Tucker Transportation Co., Inc.; and Utica-Rome Bus Co., Inc.

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Approving Finance Transaction.

SUMMARY: Coach USA, Inc. (Coach), a noncarrier, filed an application under 49 U.S.C. 14303 to acquire control of Blue Bird Coach Lines, Inc. (Blue Bird), Butler Motor Transit, Inc. (Butler), Gad-About Tours, Inc. (Gad-About), P&S Transportation, Inc. (P&S), Pittsburgh Transportation Charter Services, Inc. (PTCS), Syracuse and Oswego Coach Lines, Inc. (S&O), Tippet Travel, Inc., d/b/a Marie's Charter Bus Lines (Tippet), Tucker Transportation Co., Inc. (Tucker), and Utica-Rome Bus Co., Inc. (Utica-Rome), all motor passenger carriers. Persons wishing to oppose the application must follow the rules under 49 CFR part 1182, subparts B and C. 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 must be filed by August 3, 1998. Applicant may file a reply by August 24, 1998. If no comments are filed by August 3, 1998, this notice is effective on that date.

ADDRESSES: Send an original and 10 copies of comments referring to STB Docket No. MC-F-20921 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 comments to applicant's representatives: Betty Jo Christian and David H. Coburn, Steptoe & Johnson LLP, 1330 Connecticut Avenue, N.W., Washington, DC 20036.

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

SUPPLEMENTARY INFORMATION: Coach currently controls 45 motor passenger carriers. In this transaction, it seeks to acquire direct control of Blue Bird,¹ Butler,² Gad-About,³ P&S,⁴ PTCS,⁵ S&O,⁶ Tippet,⁷ Tucker,⁸ and Utica-Rome⁹ by acquiring all of the

¹ Blue Bird is a New York corporation. It holds federally issued operating authority in MC-108531, intrastate operating authority issued by the New York Department of Transportation (NYDOT), the Pennsylvania Public Utilities Commission (PAPUC), the New Jersey Department of Transportation, and the Ohio Public Utilities Commission (OHPUC), and authority issued by the Province of Ontario, Canada. The carrier operates 127 motorcoaches, 21 school buses and 8 vans; and it earned revenues of approximately \$14.1 million in Fiscal Year (FY) 1996. Prior to the transfer of its stock into a voting trust, it had been owned by Louis A. Magnano.

² Butler is a Pennsylvania corporation. It holds federally issued operating authority in MC-126876 and intrastate authority issued by the PAPUC. The carrier operates 28 buses and 3 sedans; it has 68 employees; and it earned revenues of approximately \$4.7 million in FY 1996. Prior to the transfer of its stock into a voting trust, it had been owned by William G. Kaylor, Robert M. Kaylor and Thomas M. Kaylor. Prior to the establishment of a voting trust, Butler owned all of the stock of Gad-About, which Coach is also proposing to acquire in this transaction.

³ Gad-About is an Ohio corporation. It holds federally issued operating authority in MC-198451 and intrastate authority issued by the OHPUC. The carrier operates 3 buses; it has 14 employees; and it earned revenues of approximately \$1.9 million in FY 1996. Prior to the transfer of its stock into a voting trust, it had been owned by Butler.

⁴ P&S is a Florida corporation. It holds federally issued operating authority in MC-255382. The carrier operates 30 buses; it has 58 employees; and it earned revenues of approximately \$3.7 million in FY 1996. Prior to the transfer of its stock into a voting trust, it was owned by Daniel G. Schambon.

⁵ PTCS is a Delaware corporation. It holds federally issued operating authority in MC-319195. The carrier operates 400 vehicles; it has 260 employees; and, together with affiliated companies, it earned revenues of approximately \$13 million in FY 1997. Prior to the transfer of its stock into a voting trust, it had been owned by Tyburn Limited, a noncarrier.

⁶ S&O is a New York corporation. It holds federally issued operating authority in MC-117805 and intrastate authority issued by the NYDOT. The carrier operates 14 buses; it has 26 employees; and it earned revenues of approximately \$1.7 million in 1997. Prior to the transfer of its stock into a voting trust, it had been owned by Russell Ferdinand. The

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outstanding stock of these carriers. According to applicant, the stock of each of these carriers is currently held in independent voting trusts to avoid any unlawful control pending disposition of this proceeding.

Applicant submits that there will be no transfer of any federal or state operating authorities held by the acquired carriers. Following the consummation of the control transaction, each of the acquired carriers will continue operating in the same manner as before and, according to applicant, granting the application will not reduce competitive options available to the traveling public. Applicant asserts that the acquired carriers do not compete with one another or, to any meaningful degree, with any other Coach-controlled company. Applicant submits that each of the acquired carriers is relatively small and each faces substantial competition from other bus companies and other transportation modes.

Applicant also submits that granting the application will produce substantial benefits, including interest cost savings from the restructuring of debt and reduced operating costs from Coach's enhanced volume purchasing power. Specifically, applicant claims that the carriers to be acquired will benefit from lower insurance premiums negotiated by Coach and from volume discounts for equipment and fuel. Applicant indicates that Coach will provide each of the carriers to be acquired with centralized legal and accounting functions and coordinated purchasing services. In addition, applicant states that vehicle sharing arrangements will be facilitated through Coach to ensure maximum use and efficient operation of equipment and that coordinated driver training services will be provided.

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carrier is affiliated through common ownership with Utica-Rome.

⁷ Tippett is a Florida corporation. It holds federally issued operating authority in MC-174043. The carrier operates 17 buses, 3 minibuses, and 1 limousine; it has 38 employees; and it earned revenues of approximately \$4.4 million for the fiscal year ending June 30, 1997. Prior to the transfer of its stock into a voting trust, it was owned by Marie Louise Tippett.

⁸ Tucker is a Florida corporation. It holds federally issued operating authority in MC-223424. The carrier operates 7 buses; it has 24 employees; and it earned revenues of approximately \$650,000 for the fiscal year ending May 31, 1997. Prior to the transfer of its stock into a voting trust, it was owned by Benjamin C. Early.

⁹ Utica-Rome is a New York corporation. It holds federally issued operating authority in MC-7914 and intrastate operating authority issued by the NYDOT. The carrier operates 13 buses; it has 37 employees; and it earned revenues of approximately \$1.6 million in 1997. Prior to the transfer of its stock into a voting trust, it was owned by Russell Ferdinand, who also owned all of the stock of S&O.

Applicant also states that the proposed transaction will benefit the employees of the acquired carriers and that all collective bargaining agreements will be honored by Coach.

Coach plans to acquire control of additional motor passenger carriers in the coming months. It asserts that the financial benefits and operating efficiencies will be enhanced further by these subsequent transactions. Over the long term, Coach states that it will provide centralized marketing and reservation services for the bus firms that it controls, thereby enhancing the benefits resulting from these control transactions.

Applicant certifies that: (1) Blue Bird, Butler, Gad-About, and P&S hold satisfactory safety ratings from the U.S. Department of Transportation (DOT) and that PTCS, S&O, Tippet, Tucker, and Utica-Rome have not been rated by DOT; (2) each of the acquired carriers has sufficient liability insurance; (3) none of the acquired carriers is either domiciled in Mexico or owned or controlled by persons of that country; and (4) 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 representatives.

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 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.

Board decisions and notices are available on our website at "WWW.STB.DOT.GOV."

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 vacated.

3. This decision will be effective on August 3, 1998, unless timely opposing comments are filed.

4. A copy of this notice will be served on the U.S. Department of Justice, Antitrust Division, 10th Street & Pennsylvania Avenue, N.W., Washington, DC 20530.

Decided: June 10, 1998.

By the Board, Chairman Morgan and Vice Chairman Owen.

Vernon A. Williams
Secretary

29248

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DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Docket No. MC-F-20921]

Coach USA, Inc.--Control--Blue Bird Coach Lines, Inc.; Butler Motor Transit, Inc.; Gad-About Tours, Inc.; P&S Transportation, Inc.; Pittsburgh Transportation Charter Services, Inc.; Syracuse and Oswego Coach Lines, Inc.; Tippet Travel, Inc., d/b/a Marie's Charter Bus Lines; Tucker Transportation Co., Inc.; and Utica-Rome Bus Co., Inc.

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Approving Finance Transaction.

SUMMARY: Coach USA, Inc. (Coach), a noncarrier, filed an application under 49 U.S.C. 14303 to acquire control of Blue Bird Coach Lines, Inc. (Blue Bird), Butler Motor Transit, Inc. (Butler), Gad-About Tours, Inc. (Gad-About), P&S Transportation, Inc. (P&S), Pittsburgh Transportation Charter Services, Inc. (PTCS), Syracuse and Oswego Coach Lines, Inc. (S&O), Tippet Travel, Inc., d/b/a Marie's Charter Bus Lines (Tippet), Tucker Transportation Co., Inc. (Tucker), and Utica-Rome Bus Co., Inc. (Utica-Rome), all motor passenger carriers. Persons wishing to oppose the application must follow the rules under 49 CFR part 1182, subparts B and C. 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 must be filed by August 3, 1998. Applicant may file a reply by August 24, 1998. If no comments are filed by August 3, 1998, this notice is effective on that date.

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⁴ P&S is a Florida corporation. It holds federally issued operating authority in MC-255382. The carrier operates 30 buses; it has 58 employees; and it earned revenues of approximately \$3.7 million in FY 1996. Prior to the transfer of its stock into a voting trust, it was owned by Daniel G. Schambon.

⁵ PTCS is a Delaware corporation. It holds federally issued operating authority in MC-319195. The carrier operates 400 vehicles; it has 260 employees; and, together with affiliated companies, it earned revenues of approximately \$13 million in FY 1997. Prior to the transfer of its stock into a voting trust, it had been owned by Tyburn Limited, a noncarrier.

⁶ S&O is a New York corporation. It holds federally issued operating authority in MC-117805 and intrastate authority issued by the NYDOT. The carrier operates 14 buses; it has 26 employees; and it earned revenues of approximately \$1.7 million in 1997. Prior to the transfer of its stock into a voting trust, it had been owned by Russell Ferdinand. The

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Applicant also submits that granting the application will produce substantial benefits, including interest cost savings from the restructuring of debt and reduced operating costs from Coach's enhanced volume purchasing power. Specifically, applicant claims that the carriers to be acquired will benefit from lower insurance premiums negotiated by Coach and from volume discounts for equipment and fuel. Applicant indicates that Coach will provide each of the carriers to be acquired with centralized legal and accounting functions and coordinated purchasing services. In addition, applicant states that vehicle sharing arrangements will be facilitated through Coach to ensure maximum use and efficient operation of equipment and that coordinated driver training services will be provided.

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carrier is affiliated through common ownership with Utica-Rome.

⁷ Tippett is a Florida corporation. It holds federally issued operating authority in MC-174043. The carrier operates 17 buses, 3 minibuses, and 1 limousine; it has 38 employees; and it earned revenues of approximately \$4.4 million for the fiscal year ending June 30, 1997. Prior to the transfer of its stock into a voting trust, it was owned by Marie Louise Tippett.

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Applicant certifies that: (1) Blue Bird, Butler, Gad-About, and P&S hold satisfactory safety ratings from the U.S. Department of Transportation (DOT) and that PTCS, S&O, Tippet, Tucker, and Utica-Rome have not been rated by DOT; (2) each of the acquired carriers has sufficient liability insurance; (3) none of the acquired carriers is either domiciled in Mexico or owned or controlled by persons of that country; and (4) 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 representatives.

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 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.

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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.

STB Docket No. MC-F-20921

2. If timely opposing comments are filed, the findings made in this decision will be deemed vacated.

3. This decision will be effective on August 3, 1998, unless timely opposing comments are filed.

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