

21573  
EB

SERVICE DATE - MARCH 12, 1997

SURFACE TRANSPORTATION BOARD

DECISION

STB Finance Docket No. 33343

COACH USA, INC.--CONTROL EXEMPTION--PROGRESSIVE  
TRANSPORTATION SERVICES, INC.; POWDER RIVER TRANSPORTATION  
SERVICES, INC.; WORTHEN VAN SERVICE, INC.; AND PCSTC, Inc.

AGENCY: Surface Transportation Board.

ACTION: Notice of Filing of Petition for Exemption.

SUMMARY: Coach USA, Inc. (Coach), a noncarrier that controls 15 motor passenger carriers, seeks to be exempted, under 49 U.S.C. 13541, from the prior approval requirements of 49 U.S.C. 14303(a)(5) to acquire control of four additional motor passenger carriers.

DATES: Comments must be filed by April 11, 1997.  
Petitioner may file a reply by April 21, 1997.

ADDRESSES: Send an original and 10 copies of comments referring to STB Finance Docket No. 33343 to: Office of the Secretary, Case Control Unit, Surface Transportation Board, 1925 K Street, N.W., Washington, D.C. 20423-0001. Also, send one copy of comments to petitioner's representatives: Betty Jo Christian and David H. Coburn, Steptoe & Johnson LLP, 1330 Connecticut Avenue, N.W., Washington D.C. 20036.

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

SUPPLEMENTARY INFORMATION: Coach seeks an exemption to acquire stock control over four additional motor carriers of passengers that operate in interstate and intrastate commerce: Progressive Transportation Services, Inc. (PTS) (MC-247074) (primarily charter operations and regular-route service in New York State); Powder River Transportation Services, Inc. (PRTS) (MC-161531) (primarily charter operations and regular-route service in Wyoming, Colorado, Montana, and South Dakota); Worthen Van Service, Inc. (WVS) (MC-142573) (charter operations in Wyoming); and PCSTC, Inc., d/b/a Pacific Coast Sightseeing/Gray Line of Anaheim-Los Angeles (PCSTC) (MC-184852) (primarily charter operations and regular-route service in California).<sup>1</sup> According to petitioner, PRTS and WVS largely share common stock ownership, as each is controlled by the same family. Coach states that each of the four carriers accounts for a relatively small market share and operates regionally in diverse markets across the United States.

Coach indicates that it currently controls the nation's second largest group of motor passenger carriers. In May 1996, Coach acquired control of the following 10 motor passenger carriers: Arrow Stage Lines, Inc. (MC-29592);

---

<sup>1</sup> Petitioner indicates that the stock of PTS, PRTS, WVS, and PCSTC was placed in separate, independent voting trusts with different trustees, with the intent of avoiding any unlawful control.

Cape Transit Corp. (MC-161678); Community Coach, Inc. (MC-76022); Community Transit Lines, Inc. (MC-145548); Grosvenor Bus Lines, Inc. (MC-157317); H.A.M.L. Corp. (MC-194792); Leisure Time Tours (MC-142011); Suburban Management Corp. (MC-264527); Suburban Trails, Inc. (MC-149081); and Suburban Transit Corp. (MC-115116).<sup>2</sup> In November 1996 Coach acquired control of the following five motor passenger carriers: American Sightseeing Tours, Inc. d/b/a ASTI (MC-252353); California Charters, Inc. (MC-241211); Texas Bus Lines, Inc. (MC-37640); Gulf Coast Transportation, Inc. d/b/a Gray Line Tours of Houston (MC-201397); and K-T Contract Services, Inc. (MC-218583).<sup>3</sup> Petitioner asserts that there is little competition, and no significant overlap in operations, among the 15 carriers it now controls and the four it seeks to control. It acknowledges that there is some overlap in service but states that this overlap will have no meaningful effect on the continued availability of competitive transportation.

Following the acquisition of control, Coach indicates that each of the four carriers will continue to operate in its respective market, under its own name and in the same basic manner as before. Coach claims that improved service at lower costs will result, because of the coordination of functions, centralized management, financial support, rationalization of resources, and economies of scale that are anticipated from the common control. Coach also states that all collective bargaining agreements will be honored, that employee benefits will improve, and that no change in management personnel is planned. Additional information may be obtained from petitioner's representatives.

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

Decided: February 26, 1997.

By the Board, Chairman Morgan and Vice Chairman Owen.

Vernon A. Williams  
Secretary

---

<sup>2</sup> See Notre Capital Ventures II, LLC and Coach USA, Inc.-Control Exemption-Arrow Stage Lines, Inc.; Cape Transit Corp.; Community Coach, Inc.; Community Transit Lines, Inc.; Grosvenor Bus Lines, Inc.; H.A.M.L. Corp.; Leisure Time Tours; Suburban Management Corp.; Suburban Trails, Inc.; and Suburban Transit Corp., STB Finance Docket No. 32876 (Sub-No. 1) (STB served May 3, 1996).

<sup>3</sup> See Coach USA, Inc.-Control Exemption-American Sightseeing Tours, Inc.; California Charters, Inc.; Texas Bus Lines, Inc.; Gulf Coast Transportation, Inc.; and K-T Contract Services, Inc., STB Finance Docket No. 33073 (STB served Nov. 8, 1996).