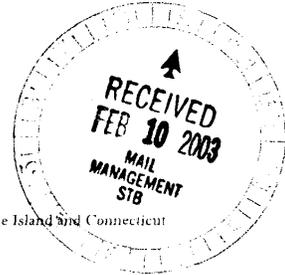


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\*\*Also admitted in Rhode Island

February 7, 2003

Honorable Vernon Williams, Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, DC 20423

ENTERED  
Office of Proceedings

RE: Peter Pan Bus Lines Trust  
-Purchase and Acquisition of Control-  
Arrow Line Acquisition, LLC, et al.  
Surface Transportation Board  
Docket MC-F-20995

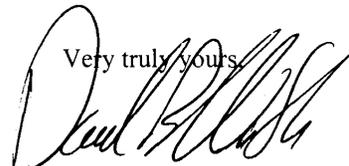
FEB 10 2003

Part of  
Public Record

Dear Secretary Williams:

There are transmitted herewith the original and 10 copies of a Comment pursuant to 49 U.S.C. § 14303(d) regarding the proposed transaction involving the acquisition and acquisition of control of multiple motor passenger carriers.

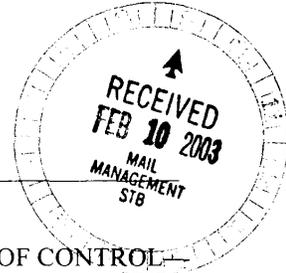
I have also attached a copy of this letter and ask that you stamp it to acknowledge receipt of this filing.

Very truly yours,  
  
Daniel B. Walsh

CC: Entertainment Tours, Inc.  
Parties Identified in Application's Certificate of Service

SURFACE TRANSPORTATION BOARD

STB Docket No. MC-F-20995



PETER PAN BUS LINES TRUST—PURCHASE AND ACQUISITION OF CONTROL—  
ARROW ACQUISITION, LLC, BONANZA ACQUISITION, LLC, MAINE LINE, LLC,  
PAWTUXET VALLEY, LLC, PETER PAN BOSTON, LLC,  
AND PETER PAN BUS LINES, INC.

ENTERED  
Collection Section

FEB 10 2003

COMMENT AND OPPOSITION OF ENTERTAINMENT TOURS, INC.,  
TO APPROVAL OF PURCHASE AND ACQUISITION OF CONTROL  
WITH RESPECT TO THE PENDING APPLICATION OF PETER PAN BUS LINES TRUST

Part of  
Public Record

**SUMMARY OF COMMENT**

Entertainment Tours, Inc., (“Entertainment”), files this comment pursuant to 49 U.S.C. 14303(d), to oppose the Application of Peter Pan Bus Lines Trust (“PPBLT”) to purchase the operating properties of five motor passenger carriers. The applicants failed to demonstrate that the proposed transaction is consistent with the public interest. Specifically, unless the Board denies the application, the purchase and acquisition of the five motor passenger carriers will have a serious detrimental effect on the competitive structure of the Boston to New York shuttle service. The purchase and acquisition, should it go forward, will likely result in higher fares to passengers in this major market and result in a reduction of the number of round trips available to those same passengers.

**BACKGROUND OF ENTERTAINMENT TOURS, INC.**

Entertainment Tours is a duly formed Massachusetts corporation, with interstate operating authority registered with the FMCSA at MC 262973. As part of its operations, Entertainment provides regularly scheduled, discount motor carrier service between Boston and New York City. Entertainment operates 7 to 14 daily round trips between Boston and New

York. The trips originate at South Station in Boston and the Port Authority in New York City.

Entertainment competes directly with Peter Pan Bus Lines (PPBL) and Bonanza, one of the companies PPBLT seeks to acquire. The company vigorously markets its discount shuttle service, winning the praise of local travel reviewers.<sup>1</sup> Entertainment offers superior services for its passengers, including en route movies and a beverage service on prime-time trips.

Entertainment leads the local market by offering the lowest fares in the industry for the Boston to New York shuttle. Entertainment's service in the New York/Boston market has been so successful, it anticipates expanding the service into other markets as well. Entertainment will compete with PPBL in these markets, where PPBL has an established presence in New England and the greater northeast market.

#### DISCUSSION

The Interstate Commerce Commission, as predecessor to the Surface Transportation Board ("the Board"), characterized its duty as the "time honored policy of protecting competition rather than competitors, to achieve the maximum public benefits offered by the transaction." *GLI Acquisition - Purchase - Trailways Lines, Inc.*, 4 I.C.C.2d 591, 603 (1988). That same principle, applied here, means the Board must either deny PPBLT's application or use its authority pursuant to 49 U.S.C. 14303(j) to issue supplemental orders to insure healthy competition between resulting bus lines, promoting the desired benefits to the traveling public.

As more fully described below, the proposed transaction would ultimately serve to reduce the number of competitors, thereby reducing benefits for the public. The applicants contend "the proposed transaction will have no impact on the adequacy of transportation services available for the public." Application, p. 13. More realistically, the transaction would give PPBLT an

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<sup>1</sup> See, *Boston Metro*, 2/5/03; *Boston Globe*, "Deflation and a Fare Market," p. D 1, 11/19/02; *Boston Magazine*, "Meals on Wheels," p. 36, 11/2/02.

insurmountable competitive advantage over other carriers, with the traveling public ultimately paying the price.

**BARRIERS TO ENTRY – ECONOMIC VS. COMPETITIVE BARRIERS**

Although the Board’s predecessor, the I.C.C., opined the economic barriers to entry in the bus transportation market are generally low (See, *GLI Acquisition, supra*, 4 I.C.C.2d 600-01), the proposed acquisition would give the applicants the market dominance to effectively stifle other competitors. The competitive advantages already employed by PPBL fortell what other competitors could expect if the proposed transaction was approved.

PPBL now controls approximately 60% of the counter space at South Station in Boston. The purchase of control of the other companies would give PPBLT control of approximately 90% of the counter space. By virtue of their current control of counter space, PPBL generates a proportionate share of the revenues for the stations owner, the Massachusetts Bay Transportation Authority (“MBTA”). Following the acquisition, PPBLT would now provide the MBTA with virtually all of the revenue generated by motor carriers, giving them overwhelming influence with the terminal owner.

Exercising its control and influence, PPBL suggested to the MBTA that Entertainment did not have the right to counter space in South Station. Following a hearing with the MBTA, Entertainment demonstrated they did, in fact, have the right to conduct business in the station. The MBTA, however, relegated Entertainment to a small ticket counter, located in the worst possible place in the station. The counter receives little foot traffic.

At South Station, Entertainment can rent only one dock from which to pick up and discharge passengers. The dock is located far from the ticket counters, and in the winter, the cold air makes their passengers feel like they are outside well before they approach the bus. When

Entertainment first offered its discount service at South Station, the carrier had an arrangement to use a prominent dock to pick up and discharge its passengers. After PPBL exerted its considerable influence with the MBTA, Entertainment was assigned to the worst possible dock.

PPBLT's influence goes well beyond Boston's South Station. Entertainment cannot get a dock or even ticket counter space at the Port Authority in New York City. PPBLT currently controls approximately 70% of the motor coach ticket counter space at the Port Authority. Because of PPBLT's size and affiliations, Entertainment cannot take advantage of other common industry practices. For example, other motor coach companies will not sell Entertainment's tickets, and they will not allow Entertainment to sell theirs. Entertainment has been told by another regional carrier affiliated with Trailways that the carrier was prohibited from selling Entertainment's connecting ticket for service north of Boston.

Further, PPBLT has pooling agreements with Greyhound for passenger service between New York and all three other major east coast markets: Boston, Philadelphia, and Washington markets. (See STB No. MC-F-20904, et al, and STB No. MC-F-20908.) These pooling agreements with a national passenger carrier give PPBLT unrivaled name recognition and access to market share. Under the terms of the pooling agreements, these two carriers cooperate in sharing revenue, ticketing, marketing, staffing, and equipment. Consequently, the low economic barriers to entry suggested in *GLI Acquisition* simply do not address the incredibly high competitive barriers that result from the consolidation in the industry. This purchase and acquisition is not, and cannot be, considered "*de rigueur*" as the applicants suggest. Application p. 15. The proposed acquisition would simply solidify PPBLT's position in the northeast's transportation market.

**ADEQUACY OF TRANSPORTATION TO THE PUBLIC**

While PPBLT would have the Board believe that all consolidation in the industry results in increased competition, thereby benefiting the public, the proposed acquisition is inapposite to the case primarily relied upon by the applicant, *GLI Acquisition*. *GLI Acquisition*, supra, 4 I.C.C. 591. In that case, Greyhound sought and received authority to acquire a failing busline, Trailways. *Id.*, at 602. The resulting Greyhound acquisition benefited the public by maintaining lines through towns and small cities that would have been withdrawn had the purchase proposal not been approved. *Id.*

In the proposal at issue, however, the acquisition will not save the lines of a failing company. Instead, it will eliminate lines of viable companies. The applicants seek to consolidate financially strong companies with ongoing operations. One of the proposed acquisitions, Bonanza, now directly competes with the company that will acquire it. Surely the consolidation of two competing bus lines will not maintain the competitive forces from which the public derives its marketplace benefit.

It is incumbent on this Board to take into consideration the markets affected by the proposed acquisition and the impact it would have on competition. *GLI Acquisition*, 4 I.C.C. at 602. Despite PPBLT's assertion that it will "continue the businesses of the acquired carriers, essentially in the same manner in which they are now being conducted," it would be senseless for PPBLT to operate duplicative runs made by both Bonanza and PPBL. Certainly they would eliminate the at least some of the current runs, resulting in the public having fewer transportation options from which to choose.

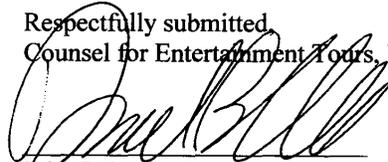
With PPBLT already benefiting from critically important pooling agreements with Greyhound, its acquisition of yet another direct competitor in a region it already dominates will

not provide the public with any benefits whatsoever. PPBLT's rate structure bears this out. When PPBL has a scheduled run to New York City at the same time as Entertainment's, the company charges \$25.00 for a one way ticket and \$40.00 for a round trip ticket, the same discount fare Entertainment always offers. PPBLT's regular prices are \$42.00 and \$79.00, which it normally charges when it runs bus which does not compete with one of Entertainment's buses.

**CONCLUSION**

The applicant offered no substantive evidence for its assertion that the proposed transaction will result in the "continued availability of adequate service for the public." Application, p. 15. Rather, a fair consideration of the information presented by Entertainment Tours, Inc., in this Comment demonstrates the acquisition would have a detrimental effect on competition and consequently upon service provide to the public. The Board must at this point deny the Application for Purchase and Acquisition and Control.

Respectfully submitted,  
Counsel for Entertainment Tours, Inc.,



John J. Geary, Esq.  
Daniel B. Walsh, Esq.  
Geary & Associates  
161 Summer Street  
Kingston, MA 02364

**VERIFICATION**

Each person signing this application verifies under penalty of perjury, under the laws of the United States of America, that all information supplied by such person on behalf of the company which he represents in connection with this application is true and correct. Further, each person signing this application is qualified and authorized to file this application.

Each person signing further certifies under penalty of perjury under the laws of the United States, that he knows that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. §1001 by imprisonment up to five years and fines up to \$10,000 for each offense. Additionally, these misstatements are punishable as perjury under U.S.C. §1621, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.

Entertainment Tours, Inc.

  
By: Mark Curreri, President

CERTIFICATE OF SERVICE

I, Daniel B. Walsh, attorney for Entertainment Tours, Inc., hereby certify that I served a copy of the Comment on the following parties:

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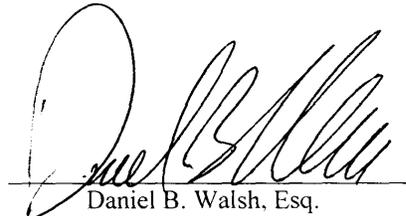
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