

LAW OFFICES
FRITZ R. KAHN, P.C.
EIGHTH FLOOR
1920 N STREET, N.W.
WASHINGTON, D.C. 20036-1601

(202) 263-4152
FAX (202) 331-8330
e-mail mecge@worldnet.att.net

March 25, 2008

Hon. Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

Dear Secretary Quinlan:

This refers to STB Dockets No. MC-F-20904, No. MC-F-20908 and No. MC-F-20912, Peter Pan Bus Lines, Inc.--Pooling-Greyhound Lines, Inc., and the revenue pooling agreements between Peter Pan Bus Lines, Inc. and Greyhound Lines, Inc., and their amendments, as approved by the Board.

The applicants have further amended the revenue pooling agreements to provide an enhanced service over the pooled routes. A copy of the Fourth Amendment to Revenue Pooling Agreements is attached.

The provision of enhanced service over the pooled routes is a relatively minor, ministerial change which I believe comes within the scope of the Board's earlier approvals and, hence, requires no action by the Board. I hope you will agree. If, however, you are of the view that more formal action is required, please treat this letter as applicants' request for a supplemental decision approving the amendment, pursuant to 49 U.S.C. 14302(c)(2) and 49 C.F.R. 1184.1, et seq.

If you have any question concerning the foregoing or if I otherwise can be of assistance, please let me know.

Sincerely yours,

Fritz R. Kahn

enc.

cc: Jeremy Kahn, Esq.
Mark E. Southerst, Esq.

FOURTH AMENDMENT
TO
REVENUE POOLING AGREEMENTS

Peter Pan Bus Lines, Inc. of Springfield, MA (“Peter Pan”) and Greyhound Lines, Inc. of Dallas, TX (“Greyhound”), having entered into Revenue Pooling Agreements (collectively the “RPAgreements”) approved by the Board by Decisions entered in STB Docket No. MC-F-20904, Peter Pan Bus Lines, Inc. – Pooling-Greyhound Lines, Inc., served June 30, 1997, STB Docket No. MC-F-20908, Peter Pan Bus Lines, Inc. – Pooling-Greyhound Lines, Inc., served April 29, 1998, and STB Docket No. MC-F-20912, Peter Pan Bus Lines, Inc. – Pooling-Greyhound Lines, Inc., served February 12, 1998, first amended by the Agreement dated October 22, 1998, approved by Decision of the Board, served December 18, 1998, and next amended by Agreement dated July 12, 1999, acknowledged by the Board, Secretary Williams, to require no formal action of the Board, by letter, dated August 6, 1999, and next amended by Agreement dated March 19, 2004, submitted to the Board by letter dated March 19, 2004, with no action being taken by the Board,¹ desire to further amend the RPAgreements as follows:

WHEREAS, Peter Pan and Greyhound have successfully cooperated to operate pooled services over the regular routes described in the RPAgreements (collectively, the “Pooled Routes”); and

¹ A minor amendment to the Agreement approved in Docket No. MC-F-20912 was dated September 19, 2003, and submitted to the Board by letter, dated September 22, 2003, with no action being taken by the Board.

WHEREAS, Peter Pan and Greyhound desire to enhance their service over the Pooled Routes by offering a modified service under a new brand name (the “Enhanced Service”) in addition to their existing service over the Pooled Routes:

NOW THEREFORE, Peter Pan and Greyhound agree to amend the RPAgreements, as amended, to govern the provision of the Enhanced Service as follows:

1. Each of the three RPAgreements shall be amended by adding a new Section 1.A as follows:

1A. Establishment of Enhanced Service Over Pooled Routes

a. In addition to the service over the Pooled Routes as described in Paragraph 1.a. above, the parties shall also operate the Enhanced Service, as described herein, which shall be governed by this Fourth Amendment.

b. The revenues from the Enhanced Service which shall be the subject of this Fourth Amendment (the “Enhanced Service Revenues”) are the gross amounts received from the sale of tickets for the Enhanced Service through Greyhound’s Internet-based ticketing system, walk up sales, or otherwise, and the imposition of any and all fees and surcharges related to such tickets.

2. Each of the three RPAgreements shall be amended by adding a new Paragraph 2.c. as follows:

c. For the Enhanced Service only, all tickets for transportation will be sold on ticket stock or other means bearing the brand name of the Enhanced Service through Greyhound’s Internet-based ticketing system and delivered by the Internet-based ticketing system or by other appropriate means.

3. Each of the three RPAgreements shall be amended by adding a new Paragraph 3.g. as follows:

g. For the Enhanced Service only, Greyhound will operate all of the service over the Pooled Routes with buses bearing the brand of the Enhanced

Service and used exclusively for the Enhanced Service, from and to locations, according to schedules, and at prices to be agreed upon by both Peter Pan and Greyhound, as provided in Paragraph 4.d. Greyhound shall maintain records of the mileage it operates in the Enhanced Service and report the mileage operated to Peter Pan each month as a part of its monthly overall reporting to Peter Pan. Except as expressly provided in this Fourth Amendment, Greyhound's operation of the Enhanced Service over the Pooled Routes shall not be considered in any way in connection with the parties' rights or obligations or calculation of revenues under the RPAgreements for services other than the Enhanced Service.

4. Each of the three RPAgreements shall be amended by adding a new Paragraph section 4.d. as follows:

d. For the Enhanced Service only, as quickly as feasibly possible, the parties will jointly designate an "Operations Team" to be primarily responsible for the day-to-day operation of the Enhanced Service, subject to oversight by both Peter Pan and Greyhound management. The Operations Team will recommend initial pricing, schedules, and timetables, and from time to time thereafter shall identify the need for and recommend appropriate service adjustments, as it deems necessary, subject to approval by both Peter Pan and Greyhound management, and subject further to the right of either or both Peter Pan and Greyhound to request a meeting of senior management as described in Paragraph 4.b and/or to invoke arbitration as described in Paragraph 4.c., except that for purposes of pricing and issues relating to yield management, the parties' rights shall be defined by the RPAgreements, subject to the right of either party to request a meeting of senior management as described in Paragraph 4.b and/or to invoke arbitration as described in Paragraph 4.c. All expenses related to the hiring and employment of the Operations Team, shall be costs and expenses of the Enhanced Service as provided in Paragraph 7.c, except any adjustments to the initial salaries, bonuses, and/or other compensation to the Operations Team may be made only with the mutual agreement of both parties.

5. Each of the three RPAgreements shall be amended by adding a new Section 4.A as follows:

4A. Use and Ownership of the "Brand" for the Enhanced Service

a. Greyhound shall develop at its sole expense the Internet-based ticketing system for use in providing the Enhanced Service. All rights and ownership of intellectual property related to the ticketing system shall at all times remain solely with Greyhound or its respective owner if licensed by Greyhound.

Nothing in this Fourth Amendment shall prohibit Greyhound from using such ticketing system or the software related to it outside the Enhanced Service.

b. Greyhound shall at all times hold all rights and ownership of the logos, trademarks, service marks, and all other intellectual property rights related to the Enhanced Service's brand. Greyhound agrees that both parties may use such rights as described in this paragraph 4A.b. during the term of this Fourth Amendment in the performance of the Enhanced Service under this Fourth Amendment without any charge or fee for the use of such rights.

c. Nothing in this Fourth Amendment shall prohibit or limit Greyhound from using any of its brand-related rights associated with the Enhanced Service as described in paragraph 4A.b. immediately above in connection with the operation of bus service other than the Enhanced Service described in this Fourth Amendment during the term of this Fourth Amendment, except (i) neither party shall operate service substantially equivalent to the Enhanced Service between any of the points served under the RP Agreements, or over any portion of the routes within the areas described in the RP Agreements, without the advance written agreement of the other party; (ii) if during the term of this Fourth Amendment either party desires to operate a service substantially equivalent to the Enhanced Service which serves any one or more points served under the RP Agreements, then the other party shall be given an opportunity to participate in such additional service and both parties shall be required to negotiate in good faith for a period of ninety (90) days, or longer if agreed to by the parties in writing, to expand the new service under an arrangement similar to this Fourth Amendment. Provided however, the exact terms of such further expansion will be based on the routes operated by the parties, the capital investment, the resources to be committed by the parties and operating risk assumed by the parties as agreed to during the negotiation period, and (iii) if during the term of this Fourth Amendment either party desires to operate a service substantially equivalent to the Enhanced Service which does not include any points served under the RP Agreements, then the parties shall in good faith discuss the opportunity to participate in such service and the terms of such participation, if any.

6. Each of the three RP Agreements shall be amended by adding the following two sentences to the end of Paragraph 5:

For the Enhanced Service only, the Operations Team shall be responsible to investigate and endeavor to resolve claims arising from, the loss of, or damage to any baggage carried on the Enhanced Service, and Peter Pan and Greyhound shall cooperate in the investigations and resolution. All costs incurred in investigating and resolving baggage claims arising wholly from

operation of the Enhanced Service shall be costs and expenses of the Enhanced Service as provided in Paragraph 7.c

7. Each of the three RPAgreements shall be amended by adding a new Paragraph 7.c. as follows:

c. For the Enhanced Service only, and without regard to or in any way affecting the computation of Net Pool Revenue as provided in Paragraph 7.a., the "Net Enhanced Service Revenue" shall be calculated as provided in this Paragraph 7.c. From the Enhanced Service Revenues there shall be deducted costs and expenses related to the start-up, termination (if any), and/or day to day operations of the Enhanced Service, all as more specifically described in this Fourth Amendment, and the result will be the "Net Enhanced Service Revenues." The parties shall cooperate to prepare a schedule describing with particularity those costs and expenses related to the start-up and describing with particularity the methodology for calculating the direct and indirect costs and operational expenses of the Enhanced Service, which schedule is incorporated into this Fourth Amendment as the Enhanced Revenue Costs and Expense Schedule. If there should be any inconsistency between the terms of this Fourth Amendment and the Enhanced Revenue Cost and Expense Schedule as to those costs and expenses which shall be deducted from Enhanced Service Revenues, then the provisions in the Enhanced Revenue Cost and Expense Schedule shall control. The parties shall also agree in writing to both an "Operating Budget" and a "Capital Budget" for the operation of the Enhanced Service, with the first Operating Budget and first Capital Budget to be completed and agreed upon prior to the institution of the Enhanced Service and subsequent year's Operating Budget and Capital Budget to be completed and agreed upon not later than 30 days prior to the end of each of Greyhound's fiscal years. The Net Enhanced Service Revenue for each period shall be calculated by deducting from the Enhanced Service Revenue all costs and expenses during that same period according to the methodology in the Enhanced Revenue Costs and Expense Schedule with reference to the Operating Budget and Capital Budget, except that the portion of any cost or expense which varies more than \$2,000 per line item or 10% per line item from the Operating Budget or the Capital Budget shall be subject to review by both parties.

8. Each of the three RPAgreements shall be amended by adding the following sentence at the end of Paragraph 8.e.:

For the Enhanced Service only, Greyhound shall prepare and submit a report for the Enhanced Service to Peter Pan within five business days of its payment of Net Enhanced Service Revenues.

9. Each of the three RPAgreements shall be amended by adding a new Paragraph 8.f. as follows:

f. For the Enhanced Service only, each party shall receive 50% of the Net Enhanced Service Revenues. Greyhound will remit to Peter Pan its share of the Net Enhanced Service Revenues for the previous calendar month (including any adjustments from prior months), by wire transfer to a designated bank account or other similar means not later than the 25th day of the following month. Peter Pan will reimburse Greyhound promptly for any overpayment of Net Enhanced Service Revenue that is determined by the monthly adjustment.

10. Each of the three RPAgreements shall be amended by adding a new Section 8.A as follows:

8A. Working Capital

Each party agrees to provide 50% of the working capital required to fund the operations, expenses, and liabilities of the Enhanced Service consistent with the Capital Budget and Operating Budget. Prior to the commencement of the Enhanced Service, the parties will agree in writing on an initial Capital Budget and Operating Budget. The capital requirement for the on-going operation of the Enhanced Service and the time for contributions by the parties of that amount will be determined jointly in writing by Greyhound and Peter Pan as a part of the periodic preparation of the Capital Budget and Operating Budget, for however long the parties jointly agree additional working capital may be required. Each party agrees to contribute 50% of the amount agreed upon in the Capital Budget and Operating Budget at mutually agreeable times. Either party may set off, distribute, or transfer funds collected or held on behalf of the other party from the RPAgreements and use such funds to satisfy the other party's working capital obligations.

11. Each of the three RPAgreements shall be amended by adding a new Paragraph 10.c. as follows:

c. For the Enhanced Service only, Greyhound will be considered to be the "Operator" for all purposes of this Paragraph 10. With respect to the Enhanced Service, Greyhound will investigate, resolve, and/or defend claims alleged to have arisen from the Enhanced Service in cooperation with the Operations Team. For buses used exclusively in the Enhanced Service, expenses

ordinarily associated with the operation of such a bus, including expenses relating to (i) inspecting a bus, (ii) operation of the bus in accordance with the requirements of Federal, state, or local laws, ordinances, or regulations, (iii) all repairs, service and preventative maintenance as are necessary to ensure the safe and efficient operation of the bus, (iv) the operator of the bus, (v) any replacement or rental buses, (vi) any taxes, including highway use taxes, sales taxes, and property taxes assessed against that bus, (vii) all required licenses and permits, (viii) all fuel and lubricants, including related taxes, (ix) comprehensive insurance, and (x) any road calls shall all be costs and expenses of the Enhanced Service as provided in Paragraph 7.c. In addition, all lease, interest, and finance charges incurred by Greyhound in the lease of buses to be used exclusively in the Enhanced Service shall also be costs and expenses of the Enhanced Service as provided in Paragraph 7.c. For purposes of Greyhound's general and automobile liability insurance, the costs and expenses of the Enhanced Service for such insurance shall be limited to only a fixed dollar amount per bus, agreed to by the parties in writing at the beginning of each year of operating the Enhanced Service and at the beginning of each year thereafter. Any increases in the fixed amount per bus for subsequent years shall be justified by Greyhound but, in no event shall any such annual increased per bus amount be greater than 20% in excess of any commercial insurance quote Peter Pan could obtain to cover a service equivalent to the Enhanced Service unless agreed to in writing by the parties.

12. Each of the three RP Agreements shall be amended by adding the following sentence at the end of Paragraph 16:

For the Enhanced Service only, the parties also acknowledge that Fourth Amendment to the RP Agreements may be subject to the jurisdiction of the Surface Transportation Board, and so this Fourth Amendment shall not become operative until approved or authorized by the Board.

13. Each of the three RP Agreements shall be amended by adding the following sentence at the end of Paragraph 18:

For the Enhanced Service, the term of the agreement relating to Enhanced Service shall be the same as the term of the RP Agreements, except as expressly provided in this Fourth Amendment.

14. Each of the three RP Agreements shall be amended by adding a new Paragraph 22.d. and a new Paragraph 22.e. as follows:

d. For the Enhanced Service only, the parties acknowledge the Enhanced Service, by nature of its distinct brand and unique service features, is a new service whose future viability is not known. Therefore, at any time during the period beginning on the one year anniversary of the institution of the Enhanced Service and ending on the second year anniversary of the institution of the Enhanced Service, either party may advise the other of its intent to discontinue cooperating in the operation of the Enhanced Service under this Fourth Amendment no less than 120 days prior to the effective date of its discontinuance. If either party terminates this Fourth Amendment pursuant to the terms of this Paragraph 22.d., the parties will make a final accounting of Enhanced Service Revenues and Net Enhanced Service Revenues, and each party's contribution of working capital as of the date of termination of the Enhanced Service, and any monies owed as a result of this final accounting will be paid the party to whom owed within 30 days of the completion of the final accounting. As a part of such final accounting, it is agreed that neither party shall have any obligation of any nature for the costs of buses acquired by the other party to operate the Enhanced Service, except for (i) the periodic payments as provided in the Enhanced Revenue Costs and Expense Schedule during the period the Enhanced Service was operated and (ii) the non-terminating party may elect to purchase the branded coaches utilized in providing the Enhanced Service from the terminating party. The price of such sale to be based the most recently published Average Low Retail value of similar Make/Model coaches in the "The Official Bus Blue Book". All coaches will be sold "AS IS WHERE IS" with tires.. This provision does not apply to service over the Pooled Routes under the RPAgreements.

e. In the event of termination pursuant to Paragraph 22.d, the non-terminating party may elect to continue to operate the Enhanced Service over the Pooled Routes. For a period of one (1) year after termination. (i) each party agrees to continue providing maintenance and operational support as per the Enhanced Revenue Costs and Expense Schedule in effect at the time of termination, (ii) Greyhound will allow Peter Pan to utilize the brand name of the Enhanced Service for a fee equal to one and one-half percent (1.5%) of the actual Enhanced Service Revenues collected by Peter Pan, such use limited solely to the Enhanced Service over the Pooled Routes in effect at the time of termination, and (iii) Greyhound will allow Peter Pan to utilize its internet ticket system for a fee equal to the ticketing transaction fee currently in effect at the time of termination. After the one-year period, the parties will negotiate in good faith on changes to the rates and fees, if any.

16. Except as expressly provided herein, this Amendment Four shall not in any way affect the rights and obligations of the parties with respect to service

over the Pooled Routes under the RPAgreements. Except as expressly modified by the provisions of this Fourth Amendment, the parties intend that all terms and conditions in the RPAgreements shall continue to apply to this Fourth Amendment with full force and effect. In the event of a conflict between any provision of the RPAgreements and any provision of this Fourth Amendment, the provision of this Fourth Amendment shall control with respect to the Enhanced Service, and the provision of the RPAgreements shall control with respect to other service over the Pooled Routes.

17. Each party represents that this Agreement has been duly executed by an authorized representative empowered to bind such party.

IN WITNESS WHEREOF, the Parties have entered into this Fourth Amendment on this ___ day of March, 2008.

PETER PAN BUS LINES, INC.

GREYHOUND LINES, INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____