

STB Docket No. MC-F-20995, Peter Pan Bus Lines Trust–Purchase and Acquisition of Control–Arrow Lines Acquisition, LLC, Bonanza Acquisition, LLC, Maine Line, LLC, Pawtuxet Valley, LLC, Peter Pan Boston, LLC, and Peter Pan Bus Lines, Inc.

Statement of Brian O’Boyle, Staff Attorney, Office of Proceedings

Good morning Chairman Nober and Commissioner Morgan.

In December 2002, the Board tentatively approved the application of Peter Pan Bus Lines Trust, and its subsidiary, Peter Pan Bus Lines, Inc. to purchase five bus companies owned by Coach USA, Inc. In granting tentative approval under 49 U.S.C. 14303(b), the Board considered three factors: the effect of the transaction on the adequacy of transportation to the public; the total fixed charges that result; and the interest of affected carrier employees.

In response to the notice of the Board’s tentative approval, an opposing comment was filed by Entertainment Tours, Inc., a competitor of Peter Pan that operates bus service between New York and Boston. Under the Board’s rules, the filing of the opposing comment had the effect of vacating the tentative approval. Entertainment’s opposing comment focuses solely on the first factor in the Board’s analysis: adequacy of transportation to the public.

Entertainment claims that allowing Peter Pan to purchase additional bus companies would increase Peter Pan’s market power, which it would then use to engage in anticompetitive behavior, resulting in negative consequences for the public. But these claims of anticompetitive behavior are contradicted by the record. Nor has Entertainment demonstrated that this transaction will result in reduced bus service or higher fares. The draft decision finds that Entertainment has not demonstrated that service to the public would be adversely affected and approves the transaction.

That concludes my statement. If you have any questions, we will be happy to answer them.