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SERVICE DATE - OCTOBER 8, 1999

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. MC-F-20953

GONZALEZ, INC., d/b/a GOLDEN STATE TRANSPORTATION COMPANY--  
MERGER--LOS RAPIDOS, INC., d/b/a CRUCERO

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Approving Finance Transaction.

SUMMARY: Gonzalez, Inc., d/b/a Golden State Transportation Company (Golden State or applicant), a motor carrier of passengers, has filed an application under 49 U.S.C. 14303 for the acquisition by merger of its affiliate, Los RapiDOS, Inc., d/b/a Crucero (Los RapiDOS), also a motor carrier of passengers. Persons wishing to oppose the application must follow the rules at 49 CFR 1182.5 and 1182.8. 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 November 22, 1999. Applicant may file a reply by December 7, 1999. If no comments are filed by November 22, 1999, this notice is effective on that date.

ADDRESSES: Send an original and 10 copies of any comments referring to STB Docket No. MC-F-20953 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 any comments to applicant's representative: Fritz R. Kahn, Suite 750 West, 1100 New York Avenue, N.W., Washington, DC 20005-3934.

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

SUPPLEMENTARY INFORMATION: Golden State is a regular-route regional passenger carrier operating principally in the Southwest pursuant to authority granted in Docket No. MC-173837. Los RapiDOS is a regular-route regional passenger carrier operating in the

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<sup>1</sup> Golden State is authorized to operate in Arizona, California, Colorado, Nevada, New Mexico, Oregon, Texas, and Washington.

Southwest pursuant to authority granted in Docket No. MC-293638. According to applicant, the operations of the two bus lines to some extent have duplicated but in larger measure have complemented each other, with Golden State's operations directed at the domestic market and Los Rápidos specializing in the international cross-border market with Mexico.

Pursuant to a merger agreement, Los Rápidos will be merged into Golden State, with Golden State being the surviving corporation. Golden State will continue to be managed by its president, Mr. Antonio Gonzalez. By application thereafter to be filed with the Federal Highway Administration, the operating authority held by Los Rápidos is expected to be transferred to, and be integrated into the operating authority of, Golden State.

Golden State and Los Rápidos are controlled by Sistema Internacional de Transporte de Autobuses, Inc. (SITA), a noncarrier which is a wholly owned subsidiary of Greyhound Lines, Inc. (Greyhound). Greyhound holds nationwide, motor passenger carrier operating authority under Docket No. MC-1515, and controls eight other motor passenger carriers, one directly and the others indirectly through its noncarrier subsidiaries. Greyhound is

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<sup>2</sup> Los Rápidos is authorized to operate in Arizona and California.

<sup>3</sup> Greyhound's acquisition of indirect control of Golden State was approved by the Board in Greyhound Lines, Inc.--Control--Gonzalez, Inc., d/b/a Golden State Transportation Company, STB Docket No. MC-F-20914 (STB served Dec. 19, 1997). Greyhound's acquisition of indirect control of Los Rápidos was approved by the Board in Greyhound Lines, Inc.--Acquisition of Control--Los Rápidos, Inc., STB Docket No. MC-F-20903 (STB served Jan. 15, 1997).

<sup>4</sup> Greyhound directly controls Continental Panhandle Lines, Inc. (MC-8742), which operates in Kansas, Oklahoma, and Texas.

<sup>5</sup> Greyhound indirectly controls five motor passenger carriers through its wholly owned noncarrier subsidiary, GLI Holding Company. They are: PRB Acquisition, LLC., d/b/a Peoria Rockford Bus Co. (MC-66810), operating in Illinois; Valley Transit Company, Inc. (MC-74), operating in Texas; Carolina Coach Company, Inc. (MC-13300), operating in Delaware, Pennsylvania, Maryland, Virginia, and North Carolina; Texas, New Mexico & Oklahoma Coaches, Inc. (MC-61120), operating in Texas, New Mexico, Colorado, Kansas, and Oklahoma; and Vermont Transit Co., Inc. (MC-45626), operating in Maine, Vermont, Massachusetts, New Hampshire, and New York. The remaining two motor passenger carriers are indirectly controlled by Greyhound through SITA. They are: Americanos U.S.A., L.L.C. (MC-309813), operating between the Mexican border crossing points at El Paso, Laredo, and McAllen, TX, to the cities of Albuquerque, NM, Denver, CO, Dallas and Houston, TX, and Chicago, IL; and Autobus Amigos, L.L.C. (MC-340462), operating to

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controlled by Laidlaw Inc., of Burlington, Ontario, Canada (Laidlaw), a noncarrier that also controls 13 other motor passenger carriers, whose U.S. operations are mostly limited to charter and special operations.

The merger is expected to produce significant benefits for the passengers of the two bus lines, which specialize in accommodating the needs of travelers to and from Mexico. Through integration of the schedules, passengers will have the choice of more frequent departures, at more opportune times, and with improved cross-border through or interline bus service. The merger will also permit the consolidation of terminals and, where appropriate, their enlargement, thereby making them more convenient and comfortable for the passengers.

It is anticipated that the merger will result in more efficient and cost-effective operations. Golden State plans to consolidate the management of the two companies, thereby eliminating duplicative overhead costs and improving management oversight and control. The merger is also expected to allow more efficient use of the buses and more effective deployment of personnel.

Applicant states that it will incur no debt in its merger of Los Rapidos; therefore, there will be no increase in fixed charges.

Applicant also states that there is no need to attach conditions for the protection of affected employees pursuant to 49 U.S.C. 14303(b) because the employees of Los Rapidos who meet the Golden State employment criteria and needs will be offered employment. Applicant notes that Golden State experienced significant growth before the merger and, thus, will be required to increase its employee base.

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<sup>5</sup>(...continued)

and from the Mexican border crossing point at Brownsville, TX, and Houston, TX, and points in Florida.

<sup>6</sup> See Laidlaw Inc. and Laidlaw Transit Acquisition Corp.--Merger--Greyhound Lines, Inc., STB Docket No. MC-F-20940 (STB served Dec. 17, 1998).

<sup>7</sup> The carriers are: D-A-R Transit Systems, Inc., d/b/a Galaxy Charters (MC-311766); Greyhound Canada Transportation Corp. (MC-304126); Laidlaw Transit, Inc. (MC-161299); Laidlaw Transit Services (Two), Inc. (MC-163344); Roesch Lines, Inc. (MC-119843); Safe Ride Services, Inc. (MC-246193); Vancom Transportation—Illinois, L.P. (MC-167816); Willett Motor Coach Co. (MC-16073); 1327172 Ontario Limited, Transferee of Gisele Rockey d/b/a Northern Escape Tours (MC-231298); Grey Line of Vancouver Holdings Limited (MC-357855); Voyageur Corp. (MC-360339); Laidlaw Transit Ltd. (MC-102189); and Dave Transportation Services (MC-144040).

Applicant certifies that: (1) the aggregate gross operating revenues for Golden State, Los Rapidos, and the motor passenger carriers that they are affiliated with (subject carriers) exceeded \$2 million during the 12-month period ending December 31, 1998; (2) each of the subject carriers holds a satisfactory safety fitness rating from the U.S. Department of Transportation (except for affiliates of Laidlaw that are not rated); (3) each of the subject carriers has sufficient liability insurance; (4) none of the subject carriers is domiciled in Mexico nor owned or controlled by persons of that country; and (5) approval of the transactions will not significantly affect either the quality of the human environment or the conservation of energy resources. Additional information may be obtained from the applicant's representative.

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 merger is consistent with the public interest and should be authorized. If any opposing comments are timely filed, this finding will be deemed vacated and, unless a final decision can be made on the record as developed, 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.

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<sup>8</sup> Under 49 CFR 1182.6(c), a procedural schedule will not be issued if we are able to dispose of opposition to the application on the basis of comments and the reply.

It is ordered:

1. The proposed merger 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 as having been vacated.
3. This decision will be effective on November 22, 1999, unless timely opposing comments are filed.
4. A copy of this notice will be served on: (1) the U.S. Department of Transportation, Office of Motor Carriers-HIA 30, 400 Virginia Avenue, S.W., Suite 600, Washington, DC 20004; (2) the U.S. Department of Justice, Antitrust Division, 10th Street & Pennsylvania Avenue, N.W., Washington, DC 20530; and (3) the U.S. Department of Transportation, Office of the General Counsel, 400 7th Street, S.W., Washington, DC 20590.

Decided: October 1, 1999.

By the Board, Chairman Morgan, Vice Chairman Clyburn and Commissioner Burkes.

Vernon A. Williams  
Secretary