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SERVICE DATE - MAY 23, 1997

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33393]

Coach USA, Inc.--Control Exemption--America Charters, Ltd.

AGENCY: Surface Transportation Board.

ACTION: Notice of Filing of Petition for Exemption.

SUMMARY: Coach USA, Inc. (Coach), a noncarrier that controls 27 motor passenger carriers, seeks an exemption, under 49 U.S.C. 13541, from the prior approval requirements of 49 U.S.C. 14303(a)(5), to acquire control of America Charters, Ltd. (America Charters), a motor passenger carrier.

DATES: Comments must be filed by June 23, 1997. Petitioner may file a reply by July 2, 1997.

ADDRESSES: Send an original and 10 copies of comments referring to STB Finance Docket No. 33393 to: Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. Also, send one copy of comments to petitioner's representatives: Betty Jo Christian and David H. Coburn, Steptoe & Johnson LLP, 1330 Connecticut Ave., N.W., Washington, DC 20036.

FOR FURTHER INFORMATION CONTACT: Beryl Gordon, (202) 565-1600.

[TDD for the hearing impaired: (202) 565-1695.]

SUPPLEMENTARY INFORMATION: Coach seeks an exemption to acquire stock

control over America Charters (MC-153814), a motor passenger carrier that operates in interstate and intrastate commerce.¹ Coach states that America Charters, which provides exclusively charter and special bus services, has a relatively small market share in the markets in which it operates.

Coach currently controls 27 motor passenger carriers.² Coach states that

¹ The stock of America Charters was placed in an independent voting trust to avoid any unlawful control pending disposition of this proceeding.

² In *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), Coach was exempted from the prior approval requirements of 49 U.S.C. 14303(a)(4) to acquire control of Arrow Stage Lines, Inc. (MC-29592), 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).

In *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), Coach was exempted from the prior approval requirements of 49 U.S.C. 14303(a)(5) to acquire control of 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).

In *Coach USA, Inc.--Control Exemption--Progressive Transportation, Inc.; Powder River Transportation Services, Inc.; Worthen Van Service, Inc.; and PCSTC, Inc.*, STB Finance Docket No. 33343 (STB served May 15, 1997), Coach was exempted from the prior approval requirements of 49 U.S.C. 14303(a)(5) to acquire control of Progressive Transportation Services, Inc. (MC-247074), Powder River Transportation Services, Inc. (MC-161531), Worthen Van Service, Inc. (MC-142573), and PCSTC, Inc., d/b/a Pacific Coast Sightseeing/Gray Line of Anaheim-Los Angeles (MC-184852).

(continued...)

America Charters does not compete with any of the bus companies controlled by Coach and, therefore, that its acquisition of control of America Charters will have no significant impact on competition.

Following the acquisition of control, America Charters will continue to operate under its own name and in the same basic manner as before. Coach states that it will provide certain services to America Charters, including legal and accounting functions and coordinated purchasing services. In addition, Coach states that it will facilitate vehicle sharing arrangements and provide coordinated driver training services. Coach projects the annual efficiency savings generated by the proposed acquisition of control of America Charters to be \$125,000, representing primarily interest, insurance and vehicle equipment cost savings. Over the long term, Coach states that it will provide centralized marketing and reservation services for the bus firms that it controls, thereby further enhancing the benefits resulting from the transaction. Coach submits that all collective bargaining agreements will be honored, that employee benefits will improve, and that no change in management

²(...continued)

In *Coach USA, Inc.--Control Exemption--Airport Bus of Bakersfield; Antelope Valley Bus, Inc.; Desert Stage Lines, Inc.; Bayou City Coaches, Inc.; Kerrville Bus Company, Inc.; Red & Tan Charter, Inc.; Red & Tan Tours, Inc.; and Rockland Coaches, Inc.*, STB Finance Docket No. 33377 (STB served May 15, 1977), Coach was exempted from the prior approval requirements of 49 U.S.C. 14303(a)(5) to acquire control of Airport Bus of Bakersfield (MC-163191), Antelope Valley Bus, Inc. (MC-125057), Desert Stage Lines, Inc. (MC-140919), Bayou City Coaches, Inc. (MC-245246), Kerrville Bus Company, Inc. (MC-27530), Red & Tan Charter, Inc. (MC-204842), Red and Tan Tours (MC-162174), and Rockland Coaches, Inc. (MC-29890).

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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, DC 20530.

Decided: May 15, 1997

By the Board, Chairman Morgan and Vice Chairman Owen.

Vernon A. Williams

Secretary