

SURFACE TRANSPORTATION BOARD

DECISION

STB No. MC-F-20907

GREYHOUND LINES, INC. — CONTROL — CAROLINA COACH COMPANY, INC.,
KANNAPOLIS TRANSIT COMPANY, AND SEASHORE TRAILWAYS

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Approving Finance Transaction.

SUMMARY: Greyhound Lines, Inc. (Greyhound or applicant), has filed an application under 49 U.S.C. 14303 to acquire control of Carolina Coach Company, Inc., d/b/a Carolina Trailways (Carolina), Kannapolis Transit Company (Kannapolis), and Seashore Trailways (Seashore). Persons wishing to oppose the application must follow the rules under 49 CFR part 1182, subpart B. 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 are due by July 7, 1997. Applicants may reply by July 21, 1997. If no comments are received by July 7, 1997, this notice is effective on that date.

ADDRESSES: Send an original and 10 copies of any comments referring to STB Docket No. MC-F-20907 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 applicants' 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: Greyhound is a motor passenger carrier operating nationwide, scheduled, regular-route service. Carolina is also a motor passenger carrier, operating scheduled, regular-route service in Delaware, Maryland, North Carolina, Pennsylvania, Virginia, and the District of Columbia. Kannapolis and Seashore are non-operating motor passenger carriers, holding authority to provide regular-route operations in North Carolina and Virginia.

Under the proposed transaction, Carolina, Kannapolis, and Seashore (which currently are wholly owned subsidiaries of Carolina Associates, Inc.) would remain separate corporations but become wholly owned subsidiaries of Greyhound. Greyhound also controls Texas, New Mexico & Oklahoma Coaches, Inc., Continental Panhandle Lines, Inc., Vermont Transit Co., Inc., Los Rapiidos, Inc., and Grupo Centro, Inc. (Grupo), each of which is a regional motor passenger carrier.

Applicant asserts that the aggregate gross operating revenues of Greyhound and its affiliates exceeded \$2 million during the twelve months preceding the filing of this application (the minimum gross operating revenues required to trigger section 14303). Applicant also states that the proposed transaction will have no competitive effects, and that the operations of the carriers involved will remain unchanged; that the total fixed charges associated with the proposed transaction are well within Greyhound's financial means; and that there will be no change in the status of any employees.

Applicant certifies that the pertinent carrier parties have satisfactory safety fitness ratings (including Greyhound's affiliates, except Grupo, a newly organized motor carrier); that Greyhound and Carolina maintain sufficient liability insurance and are neither domiciled in Mexico nor owned or controlled by persons of that country; and that approval of the transaction will not significantly

affect either the quality of the human environment or the conservation of energy resources. Additional information may be obtained from 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 acquisition of control is consistent with the public interest and should be authorized. If any opposing comments are timely filed, this finding will be deemed as having been vacated and 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.

This decision will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. The proposed acquisition of control 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 July 7, 1997, unless timely opposing comments are filed.

4. 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 14, 1997.

By the Board, Chairman Morgan and Vice Chairman Owen.

Vernon A. Williams
Secretary