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SERVICE DATE – AUGUST 23, 2024

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. MCF 21117

BUS COMPANY HOLDINGS TOPCO LP AND BUS COMPANY HOLDINGS US LLC  
—ACQUISITION OF CONTROL OF ASSETS—  
CHENANGO VALLEY BUS LINES, INC.; COMMUNITY BUS LINES, INC.;  
DILLON’S BUS SERVICE, INC.; ELKO, INC.; HUDSON TRANSIT LINES, INC.;  
OLYMPIA TRAILS BUS COMPANY, INC.; ROCKLAND COACHES, INC.;  
SAM VAN GALDER, INC.; SUBURBAN TRANSIT CORP.; TRENTWAY-WAGAR, INC.;  
AND WISCONSIN COACH LINES, INC.

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Approving and Authorizing Finance Transaction.

SUMMARY: On June 21, 2024, Bus Company Holdings Topco LP (Topco) and Bus Company Holdings US LLC (Holdings US) (collectively, Bus Company Holdings), both noncarriers, along with certain of their subsidiaries (collectively, Applicants), filed an application for control over the assets of certain interstate passenger motor carriers controlled by Coach USA, Inc. (Coach USA). The Board is tentatively approving and authorizing the transaction subject to the Renco Group, Inc. (Renco) filing to join the application. If Renco’s filing is satisfactory and no opposing comments are timely filed, this notice will be the final Board action.

DATES: Renco’s filing to join the application must be filed by September 6, 2024. Comments must be filed by October 7, 2024. If any comments are filed, Applicants may file a reply by October 22, 2024. If no opposing comments are filed by October 7, 2024, this notice shall be effective on October 8, 2024.

ADDRESSES: Comments, referring to Docket No. MCF 21117, may be filed with the Board either via e-filing on the Board’s website or in writing addressed to: Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, send one copy of comments to Applicants’ representative: Joshua H. Runyan, Steptoe LLP, 1330 Connecticut Avenue, N.W., Washington, DC 20036.

FOR FURTHER INFORMATION CONTACT: Sarah Fancher at (202) 740-5507. If you require an accommodation under the Americans with Disabilities Act, please call (202) 245-0245.

SUPPLEMENTARY INFORMATION: According to the application,<sup>1</sup> Topco, a noncarrier, is a limited partnership organized under the laws of Delaware and headquartered in New York. (Appl. 5.) Applicants state that Renco owns the limited partnership interests of Topco, that another wholly owned Renco entity will be the general partner of Topco, (Suppl. 2, July 12, 2024; see also Appl. 2 n.5), and that Topco owns Holdings US, (Suppl. 2, July 12, 2024). According to Applicants, Holdings US, a noncarrier, is a limited liability company organized under the laws of New Jersey and headquartered in New Jersey. (Appl. 5; Suppl. 2, July 12, 2024.) Applicants state that the acquisition companies—that is, the entities that will directly acquire control of the assets of the various Coach USA passenger carrier subsidiaries—are Rockland Bus Lines, LLC (Rockland Bus Lines); Shortline Transit LLC (Shortline Transit); Wisconsin Transit Lines LLC (Wisconsin Transit); Suburban Transit Lines LLC (Suburban Transit Lines); Dillion’s Bus Lines LLC (Dillion’s Bus Lines); OBC Lines LLC (OBC Lines); Elko Bus Lines LLC (Elko Bus Lines); Newcan Coach Company ULC (Newcan Coach);<sup>2</sup> and Community Transport Lines LLC (Community Transport Lines) (collectively, Acquisition Companies). Applicants further state Holdings US owns and controls the Acquisition Companies except for Newcan Coach, which is owned by Topco. (Appl. 5, 7; Suppl. 2-3, July 24, 2024.)

On June 11, 2024, Coach USA, on behalf of itself, affiliates, and subsidiaries, filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. (Appl. 3 (citing In re Coach USA, Inc., Case No. 24-11258-MFW).) On June 12, 2024, Coach USA filed a motion seeking to sell substantially all its assets and effectively to liquidate. (Appl. 3.)

The transaction underlying the application contemplates that the assets and goodwill of certain Coach USA subsidiaries—Rockland Coaches, Inc. (Rockland Coaches); Hudson Transit Lines, Inc. (Hudson); Chenango Valley Bus Lines, Inc. (Chenango); Sam Van Galder, Inc. (Sam Van Galder); Wisconsin Coach Lines, Inc. (Wisconsin Coach Lines); Suburban Transit Corp.; Dillon’s Bus Service, Inc. (Dillon’s Bus Service); Olympia Trails Bus Company Inc. (Olympia Trails); Elko, Inc.; Trentway-Wagar, Inc. (Trentway-Wagar); and Community Bus Lines, Inc. (Community Bus Lines) (collectively, Coach USA Subsidiaries)—will be purchased separately by the Acquisition Companies. (Id. at 1, 2-3.) Applicants state that they entered into an asset purchase agreement (the Agreement) with Coach USA on June 11, 2024. (Id. at 1, 3.)

The specific acquisitions of control that are contemplated by the transaction are as follows: Rockland Bus Lines will acquire the assets of Rockland Coaches; Shortline Transit will acquire the assets of Hudson and Chenango; Wisconsin Transit will acquire the assets of Sam Van Galder and Wisconsin Coach; Suburban Transit Lines will acquire the assets of Suburban

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<sup>1</sup> Applicants supplemented their application on July 12, 2024, and July 24, 2024. Therefore, for purposes of determining the procedural schedule and statutory deadlines, the filing date of the application is July 24, 2024. See 49 CFR 1182.4(a).

<sup>2</sup> While Newcan Coach is referred to in the application and the July 12 supplement as 1485832 B.C. Unlimited Liability Company, Applicants state in the July 24 supplement that the name has since been changed. (Suppl. 2, July 24, 2024.)

Transit Corp.; Dillion's Bus Lines will acquire the assets of Dillon's Bus Service; OBC Lines will acquire the assets of Olympia Trails; Elko Bus Lines will acquire the assets of Elko, Inc.; Newcan Coach will acquire the assets of Trentway-Wagar (id. at 2); and Community Transport Lines will acquire the assets of Community Bus Lines, (Suppl. 1, 5, July 12, 2024).

The Acquisition Companies are described in the application as follows:<sup>3</sup>

- Rockland Bus Lines is a limited liability company organized under the laws of, and headquartered in, New Jersey. (Appl. at 5.)
- Shortline Transit is a limited liability company organized under the laws of, and headquartered in, New York. (Id.)
- Wisconsin Transit is a limited liability company organized under the laws of, and headquartered in, Wisconsin. (Id. at 6.)
- Suburban Transit Lines is a limited liability company organized under the laws of, and headquartered in, New Jersey. (Id.)
- Dillion's Bus Lines is a limited liability company organized under the laws of, and headquartered in, Maryland. (Id.)
- OBC Lines LLC is a limited liability company organized under the laws of, and headquartered in, New Jersey. (Id.)
- Elko Bus Lines is a limited liability company organized under the laws of Wyoming and headquartered in Nevada. (Id.)
- Community Transport Lines is a limited liability company organized under the laws of, and headquartered in, New Jersey. (Id. at 6-7.)
- Newcan Coach is a Canadian unlimited liability company organized under the laws of, and headquartered in, Ontario, Canada. (Id. at 7; Suppl. 2-3, July 24, 2024.)

The application describes the Coach USA Subsidiaries<sup>4</sup> as follows:

- Rockland Coaches employs approximately 88 employees, including 63 drivers, and operates approximately 99 buses. (Appl. 7.) It focuses its operations on commuter routes to and from New York City. (Id.)
- Together, Hudson and Chenango employ approximately 213 employees, including 127 drivers, and operate approximately 209 buses. (Id. at 8.) They focus operations on extensive, daily scheduled service to/from New York City, Catskills, Binghamton, Ithaca, Elmira and Utica, N.Y. (Id.) Both hold intrastate authority issued by New York, which allows operations between points in that state. (Id.)

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<sup>3</sup> None of the Acquisition Companies currently engage in any operations and each has applied to, or is in the process of applying to, the Federal Motor Carrier Safety Administration (FMCSA) for interstate motor passenger carrier operating authority. (Appl. 4, 5-7.) The applications remain pending for each Acquisition Company as of the date of the application. (Id. at 5-7.)

<sup>4</sup> Additional information about the carriers, including U.S. Department of Transportation (USDOT) numbers, motor carrier numbers, and USDOT safety fitness ratings, can be found in the application. (See Appl. 7-11, Exs. 1, 2.)

- Sam Van Galder employs approximately 214 employees, including 141 drivers, and operates approximately 94 buses. (Id.) It focuses its operations on daily scheduled services between Wisconsin, Chicago airports, and downtown Chicago. (Id.) Sam Van Galder also has contracts with a school district to provide school bus service, and it serves as an Amtrak thruway bus service. (Id.) In addition, it provides charter and tour bus services. (Id.) It holds intrastate authority issued by Wisconsin, which allows operations between points in that state. (Id. at 8-9.)
- Wisconsin Coach Lines employs approximately 89 employees, including 49 drivers, and operates approximately 94 buses. (Id. at 9.) It focuses its operations on daily scheduled airport services to and from O'Hare International Airport, charter services and contract local commuter/transit services. (Id.) It also serves as an Amtrak thruway bus service. (Id.) Wisconsin Coach Lines holds intrastate authority issued by Wisconsin, which allows operations between points in that state. (Id.)
- Suburban Transit Corp. employs approximately 260 employees, including 186 drivers, and operates approximately 149 buses. (Id.) Suburban Transit Corp. focuses its operations on commuter scheduled service routes and charter work in Mercer, Middlesex, and Somerset. (Id.) In accordance with its contract with NJ Transit, it also operates local transit bus services in Middlesex County. (Id.) Suburban Transit Corp. holds intrastate authority issued by New York and New Jersey, which allows operations between points in those states. (Id.)
- Dillon's Bus Service employs approximately 193 employees, including 134 drivers, and operates approximately 169 buses. (Id. at 10.) It provides extensive, daily commuter services (under contract) to and from Washington, DC, and the broader Maryland area. (Id.) It also provides scheduled service under a contract with the Virginia Department of Transportation, and provides bus services in Towson, Md. under its contract with Baltimore County. (Id.) Dillon's Bus Service holds intrastate authority issued by Maryland, which allows operations between points in that state. (Id.)
- Olympia Trails employs approximately 49 employees, including 12 drivers and operates approximately 17 buses. (Id.) It focuses its operations on airport scheduled service between Newark Airport and Midtown New York City. (Id.) Olympia Trails holds intrastate authority issued by New York and New Jersey, which allows operations between points in those states. (Id.)
- Elko, Inc. employs approximately 203 employees, including 133 drivers, and operates approximately 146 buses. (Id.) It focuses its operations on bus services provided pursuant to mining transportation contracts in Nevada, with some services provided in Utah and California. (Id.; Suppl. 1, July 24, 2024.)
- Community Bus Lines employs approximately 244 employees, including 187 drivers, and operates approximately 143 buses. (Appl. 10.) It focuses its operations on contracted transit bus services at the Brooklyn Navy Yard, N.Y. (Id.) It also provides commuter bus services to and from Manhattan, as well as charter and event transportation, including to and from sports and entertainment events at MetLife Stadium. (Id.)
- Trentway-Wagar employs approximately 300 employees, including 150 drivers, and operates approximately 135 buses. (Id.) It operates scheduled services under the Megabus Canada trademark between Toronto–Montreal and Toronto–Niagara Falls. (Id.) Trentway-Wagar also maintains a charter bus fleet servicing Ontario, Quebec, and certain trips to the United States. (Id.)

Under 49 U.S.C. 14303(b), the Board must approve and authorize a transaction that it finds consistent with the public interest, taking into consideration at least (1) the effect of the proposed transaction on the adequacy of transportation to the public, (2) the total fixed charges that result from the proposed transaction, and (3) the interest of affected carrier employees. Applicants have submitted the information required by 49 CFR 1182.2, including information to demonstrate that the proposed transaction is consistent with the public interest under 49 U.S.C. 14303(b), see 49 CFR 1182.2(a)(7), and a jurisdictional statement under 49 U.S.C. 14303(g) that the aggregate gross operating revenues of the involved carriers exceeded \$2 million during the 12-month period immediately preceding the filing of the application, see 49 CFR 1182.2(a)(5). (See Appl. 11-15; Suppl. 1, 5, July 12, 2024.)

Applicants assert that granting the application would be consistent with the public interest. (Appl. 12.) According to Applicants, the transaction will preserve the value of the Coach USA Subsidiaries' assets and ensure continued efficient and adequate service to the public. (Id. at 12.) According to the application, the operation of the assets by the financially healthy Acquisition Companies will allow cost savings that will further support quality service to the public. (Id. at 12-13.) Applicants also claim the transaction will not adversely affect competition nor the adequacy of transportation to the public because Applicants do not currently control or operate any motor carriers, and the services currently provided by the Coach USA Subsidiaries will continue, albeit under the control of Bus Company Holdings and the Acquisition Companies. (Id. at 13-15; Suppl. 2, July 12, 2024.) According to Applicants, each of the Coach USA Subsidiaries will continue to face competition or potential competition from other bus companies and other transportation modes, and the public will continue to have ample competitive transportation options. (Appl. 14.) Applicants also state the transaction is expected to facilitate the offering of new motorcoach services to the traveling public and thereby increase traveler options for intercity services. (Id. at 15.)

Applicants assert that the proposed transaction will have no material adverse impact on the fixed charges of the Coach USA Subsidiaries and that interest charges should decline as a result of the transaction. (Id.) Applicants also state that the transaction will not have a materially adverse impact on employment, and that the Agreement provides that, prior to the closing date, the Acquisition Companies will offer employment to materially all of the employees of the Coach USA Subsidiaries, provided that such employees meet certain minimum standards as defined in the Agreement. (Id. at 15-16.) Applicants explain that the terms of employment are to be determined by the Acquisition Companies, provided that the terms of employment for employees covered by the collective bargaining agreement will be in accordance with that collective bargaining agreement. (Id. at 16.)

Applicants state that Renco “does not believe that it should be an applicant” because it “will not . . . direct or oversee control of any day-to-day bus operations or services of the Acquisition Companies,” and “[a]ny ‘control’ is solely incidental to Renco’s direct or indirect ownership interest, like any other sole or majority owner of an entity.” (Suppl. 2, July 12, 2024; Suppl. 2, July 24, 2024.) “Control,” however, is not limited to “actual control,” but also encompasses “legal control” and the “power to exercise control,” including through or by a holding or investment company. 49 U.S.C. 13102(5); see also Morgan Stanley Grp.—Control

Exemption—NCC L.P., MCF 20250 (ICC served Feb. 17, 1993) (focusing “on the ability to control as reflected in the power or authority to manage, direct, superintend, restrict, regulate, govern, administer, or oversee”). As the sole owner of Topco and of its general partner, and without any evidence in the record suggesting otherwise, Renco will have the “power or authority” to exercise control over the Acquisition Companies. Thus, it too requires acquisition authority under 49 U.S.C. 14303.<sup>5</sup> Accordingly, Renco will be required to submit a filing joining the application and including any additional information required of an applicant under the Board’s rules. Renco’s filing may incorporate the existing application by reference to the extent appropriate, supplementing as necessary with any information specific to Renco required under 49 CFR 1182.2.

Based on Applicants’ representations, the Board finds that the acquisition as proposed in the application is consistent with the public interest. In the interest of expedition—particularly in light of the ongoing bankruptcy proceeding—the application will be tentatively approved and authorized, subject to Renco submitting a complete filing, as described above, that is consistent with the Board’s public interest finding by September 6, 2024. If any opposing comments are timely filed, these findings 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. See 49 CFR 1182.6. If no opposing comments are filed and the Board does not issue a decision finding Renco’s submission unsatisfactory by expiration of the comment period, this notice, including authority for Renco as an applicant, will take effect automatically and will be the final Board action in this proceeding.

This action is categorically excluded from environmental review under 49 CFR 1105.6(c).

Board decisions and notices are available at [www.stb.gov](http://www.stb.gov).

It is ordered:

1. The proposed transaction is approved and authorized, subject to Renco submitting a satisfactory filing to join the application by September 6, 2024, and the filing of opposing comments.

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<sup>5</sup> The Board notes that motor carrier acquirors have in some past cases applied and received acquisition authority under 49 U.S.C. 14303 without a controlling parent having sought or received, or been directed to seek and receive, such authority from the Board. See, e.g., El Expreso Grp.—Asset Acquis.—CUSA EE, LLC, MCF 21048 (STB served Sept. 7, 2012). But in other cases, controlling parents have sought the requisite authority from the Board when they have (as here) an indirect ownership interest in the motor carriers to be acquired. See, e.g., Variant Equity I, LP—Acquis. of Control—Coach USA Admin., Inc., MCF 21084 (STB served Feb. 15, 2019); Monarch Ventures Inc.—Acquis. of Control—Quick Coach Lines Ltd., MCF 21074 (STB served Mar. 29, 2017). The Board appreciates the disclosure of corporate affiliations by Applicants here and clarifies that, where an affiliate will acquire “control” of a motor carrier so as to implicate 49 U.S.C. 14303, it too must seek authority from the Board.

2. If opposing comments are timely filed, the findings made in this notice will be deemed vacated.

3. This notice will be effective October 8, 2024, unless the Board finds Renco's submission unsatisfactory or opposing comments are filed by October 7, 2024. If any comments are filed, Applicants may file a reply by October 22, 2024.

4. A copy of this notice will be served on: (1) the U.S. Department of Transportation, Federal Motor Carrier Safety Administration, 1200 New Jersey Avenue, S.E., Washington, DC 20590; (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, 1200 New Jersey Avenue, S.E., Washington, DC 20590.

Decided: August 20, 2024.

By the Board, Board Members Fuchs, Hedlund, Primus, and Schultz.