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SERVICE DATE — NOVEMBER 15, 2024

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. MCF 21124

VAN POOL TRANSPORTATION LLC—ACQUISITION OF CONTROL—
BUTLER’S BUS SERVICE, INC.

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Approving and Authorizing Finance Transaction.

SUMMARY: Van Pool Transportation LLC (Van Pool) and AG Van Pool Holdings, LP (AG Holdings) (collectively, Applicants), both noncarriers, filed an application to acquire control of an interstate passenger motor carrier, Butler’s Bus Service, Inc. (BBS), from its shareholders, Bruce Lyskawa and Emo Chynoweth (Sellers). The Board is tentatively approving and authorizing the transaction. If no opposing comments are timely filed, this notice will be the final Board action.

DATES: Comments must be filed by December 30, 2024. If any comments are filed, Van Pool may file a reply by January 14, 2025. If no opposing comments are filed by December 30, 2024, this notice shall be effective on December 31, 2024.

ADDRESSES: Comments may be filed with the Board either via e-filing 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 Van Pool’s representative: Kiefer A. Light, Scopelitis, Garvin, Light, Hanson & Feary, P.C., 10 W. Market Street, Suite 1400, Indianapolis, IN 46204.

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, Van Pool is a Delaware limited liability company. (Appl. 1.) Applicants state that Van Pool is not a federally regulated carrier but that it indirectly owns and controls all equity and voting interest in 10 interstate passenger motor carriers (Affiliate Regulated Carriers) that are among its operating subsidiaries. (Id. at 2.) The Affiliate Regulated Carriers are:¹

¹ Additional information about these motor 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. 3-7, Ex. A.)

- NRT Bus, Inc., which primarily provides non-regulated student transportation services for schools in Massachusetts (Essex, Middlesex, Norfolk, Suffolk, and Worcester counties), and occasional charter services;
- Trombly Motor Coach Service, Inc., which primarily provides non-regulated student transportation services for schools in Massachusetts (Essex and Middlesex counties), and occasional charter services;
- Salter Transportation, Inc., which primarily provides non-regulated student transportation services for schools in Massachusetts (Essex County) and southern New Hampshire, and occasional charter services;
- Easton Coach Company, LLC, which provides (i) intrastate paratransit, shuttle, and line-run services under contracts with regional transportation authorities and other organizations, primarily in New Jersey and eastern Pennsylvania, and (ii) private charter motor coach and shuttle services (interstate and intrastate), primarily in eastern Pennsylvania;
- F. M. Kuzmeskus, Inc., d/b/a Travel Kuz, which provides (i) non-regulated school bus transportation services, (ii) intrastate and interstate motor coach and limousine charter services, and (iii) limited intrastate and interstate charter services using school buses, all in western Massachusetts and southern Vermont;
- Alltown Bus Service Inc., which primarily provides non-regulated student transportation services for schools in the metropolitan area of Chicago, Ill., and its northern suburbs, and occasional charter services;
- DS Bus Lines, Inc., which primarily provides (i) non-regulated student transportation services for schools in Kansas (Beloit, Kansas City, Lincoln, Olathe, and Shawnee), Missouri (Belton and Smithville), Colorado (the metropolitan area of Denver), and Oklahoma (the metropolitan area of Tulsa), (ii) intrastate employee shuttle services in Colorado and Texas, and (iii) occasional charter services;
- Royal Coach Lines, Inc., which primarily provides (i) non-regulated student transportation services for schools in the metropolitan area of Westchester County, N.Y., and southern Connecticut, and (ii) contract and charter transportation services;
- PLSIII LLC, which primarily provides (i) disabled transportation services under contracts with private nonprofit organizations for fixed route and shuttle services in New York (Buffalo, western New York, Rochester, Utica and surrounding areas, and Poughkeepsie and surrounding areas), and (ii) very limited group day trip charter transportation services; and

- Local Motion, LLC, d/b/a Local Motion of Boston, which provides non-regulated school bus, charter, and shuttle services in the metropolitan area of Boston.²

According to the application, Van Pool also has operating subsidiaries that provide transportation services that do not involve regulated interstate transportation or require interstate passenger authority, primarily in the northeastern and central portions of the United States. (Appl. 2-3.) AG Holdings indirectly controls Van Pool via equity and voting interests through intermediary holding companies.³ (Id. at 3.)

The application explains that BBS, the carrier being acquired, operates as a motor carrier primarily providing regular home-to-school student transportation services in New Hampshire (the area encompassing the cities of Manchester, North Havervill, Milford, and Center Barnstead) and in Vermont (the area encompassing the cities of Orleans, Lyndonville, and White River Junction). (Id. at 8.) BBS also provides limited intrastate and interstate charter services for wedding parties, camps, field trips, and other private events such as sporting events, office/corporate events, political rallies, social gatherings, and concerts. (Id.) In providing its services, BBS utilizes approximately 339 passenger vehicles (290 school buses with a seating capacity of 16 or more passengers, 13 passenger mini-buses with a seating capacity of 16 or more passengers, 8 vans with a seating capacity of 1 to 8 passengers, and 28 vans with a seating capacity of 9 to 15 passengers). (Id.) Furthermore, the USDOT number assigned to BBS is 1633191, and for purposes of its interstate passenger operations, BBS holds interstate carrier operating authority under FMCSA MC-602610. (Id.) According to the application, BBS is owned by Sellers, who are noncarriers and do not directly or indirectly own or control any other interstate passenger motor carriers. (Id. at 7.)

² In addition, the Board authorized, effective November 9, 2024, Applicants' acquisition of control of TransAction Corporate Shuttles, Inc. (TCS). See Van Pool Transp. LLC—Acquis. of Control—TransAction Corp. Shuttles, Inc., MCF 21119, slip op. at 1 (STB served Sept. 27, 2024). TCS operates as a motor carrier primarily providing fixed-route commuter and municipal shuttle bus services and on-demand transportation for employees of businesses and communities in Massachusetts. Id. at 3. TCS also provides mini-bus, van, and limousine charter services for activities such as corporate and group outings, day trips, weddings, Bar/Bat Mitzvahs, and local events in Massachusetts. Id.

³ Specifically, Van Pool states that it is wholly owned by VP Intermediate Company (VP Intermediate), a Delaware corporation and noncarrier holding company, and that VP Intermediate is wholly owned by Beacon Mobility Corp. (Beacon Mobility), a Delaware corporation and noncarrier holding company. (Appl. 9.) Beacon Mobility is wholly owned by Beacon Mobility Intermediate Corp. (Beacon Intermediate), a Delaware corporation and noncarrier holding company. (Id.) Beacon Intermediate is wholly owned by Beacon Mobility Preferred Issuer, LLC (Beacon Preferred), a Delaware limited partnership and noncarrier holding company, and Beacon Preferred is wholly owned and controlled by Van Pool Group Holdings, L.P. (Group Holdings), a Delaware limited partnership and noncarrier holding company. (Id.) Group Holdings is majority-owned and controlled by AG Holdings, a Delaware limited partnership and noncarrier holding company. (Id.) AG Holdings is owned by investment funds affiliated with Audax Management Company, LLC, a Delaware limited liability company. (Id. at 9-10.)

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. Van Pool has 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. 10-14.)

Applicants assert that the proposed transaction will not have a material, detrimental impact on the adequacy of transportation services available to the public. (Id. at 11.) According to Applicants, BBS will continue to provide the same services it currently provides under the same name; however, going forward, BBS will operate within the holdings of Applicants, which are experienced in passenger transportation operations. (Id.) The transaction, combined with the passenger carrier management capacity of Applicants, is expected to result in improved operating efficiencies, increased equipment utilization rates, and cost savings derived from economies of scale within the Applicants' subsidiaries, all of which will help ensure the provision of adequate service to the public. (Id.) Applicants also assert that the addition of BBS will enhance the viability of Applicants' organization and its subsidiaries. (Id.)

Applicants state that the impact of the transaction on the regulated motor carrier industry will be minimal at most and that neither competition nor the public interest will be adversely affected. (Id. at 14.) According to Applicants, the demand for school bus transportation and charter services in the area served by BBS is strong and is expected to increase in the foreseeable future. (Id. at 13.) BBS competes directly with other passenger service providers in the area it serves, which is a competitive market because of the significant number of national, regional, and local providers operating within the area. (Id.) Other providers include Student Transportation of America, First Student, Durham, Caring Hands, WW Berry Transportation, and Lamoille Valley Transportation. (Id.) Applicants add that BBS's service area is geographically dispersed from those of the Affiliate Regulated Carriers and there is very limited overlap in the customer bases among the Affiliate Regulated Carriers and BBS.⁴ (Id.)

Applicants assert that the proposed transaction will increase fixed charges in the form of interest expenses because funds will be borrowed to assist in financing the transaction; however, Applicants state that the increase will not impact the provision of transportation services to the public. (Id. at 12.) Applicants also assert that they do not expect the transaction to have substantial impacts on employees or labor conditions, and they do not anticipate a measurable reduction in force or changes in compensation levels or benefits at BBS. (Id.) Applicants submit, however, that staffing redundancies could result in limited downsizing of back-office and/or managerial-level personnel. (Id.)

⁴ There also appears to be little, if any, competitive overlap between BBS and TCS. See note 2, supra.

Based on Applicants' representations, the Board finds that the acquisition as proposed in the application is consistent with the public interest. The application will be tentatively approved and authorized. 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 by expiration of the comment period, this notice 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.

It is ordered:

1. The proposed transaction is approved and authorized, subject to the filing of opposing comments.
2. If opposing comments are timely filed, the findings made in this notice will be deemed vacated.
3. This notice will be effective on December 31, 2024, unless opposing comments are filed by December 30, 2024. If any comments are filed, Van Pool may file a reply by January 14, 2025.
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: November 12, 2024.

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