FOR RELEASE
02/18/2000 (Friday)
No. 00-12

Contact: Dennis Watson
(202) 565-1596
FIRS 1 (800) 877-8339
www.stb.gov

SURFACE TRANSPORTATION BOARD ISSUES CLASS EXEMPTION FOR BUS CARRIER INTRA-CORPORATE FAMILY TRANSACTIONS

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that the Board has adopted final rules exempting from regulation the entire "class" of intra-corporate family transactions of motor passenger carriers (buses) that do not result in significant operational changes, adverse changes in service levels, or changes in the competitive balance with carriers outside the corporate family. The exemption is similar to one that has been in effect for rail carriers for many years.

The exemption was sought by Coach USA, Inc. (Coach), a company that controls numerous bus carriers. Coach asked for rules under which it could more effectively implement corporate decisions by being relieved of the requirement to obtain formal approval in advance of every minor change it might make to its internal corporate structure (if, for example, it wanted to transfer control of its operating carriers to a group of regional management companies). Instead, Coach suggested that the public would be adequately protected through a process under which it would file a notice with the Board, which would be made public, and which would allow a transaction to go forward after seven days' notice (rather than after the 45 days or more required under the existing process). Under Coach's proposal, although a transaction could become effective automatically, it could be set aside by the Board if the notice contained false or misleading information, or if a party showed that the consequences of a proposed transaction were substantial enough so that regulation would be necessary to carry out the national transportation policy.

The Board found that Coach's proposal, which was similar to one that has been in effect for years for rail carriers, was reasonable. Coach's proposal was opposed by two individual bus carriers, Nevada Coaches, LLC, and Ground Systems, Inc., doing business as Airport Bus. Each of those parties argued that Coach's behavior toward its competitors--for example, its challenges to their efforts to expand operations--requires that Coach be subjected to more regulatory scrutiny rather than less. The Board found, however, that these opponents of the exemption had not demonstrated that Coach has acted improperly and that, in any event, their claims were unrelated to Coach's exemption request. Additionally, the Board agreed with two other carrier corporations (Global Passenger Services, L.L.C., and Laidlaw Inc. and Greyhound Lines, Inc.) that the exemption should apply on an industrywide basis to intra-corporate transactions filed by any bus carriers, not only Coach.

The Board's decision and notice adopting the final rules were issued today in *Class Exemption For Motor Passenger Intra-corporate Family Transactions*, STB Finance Docket No. 33685. The decision is available on the Board's web site at **www.stb.dot.gov**.

###