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June 30, 2021
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BEFORE THE
SURFACE TRANSPORTATION BOARD

IN THE MATTER OF

VAN POOL TRANSPORTATION LLC

-- ACQUISITION OF CONTROL --

SALTER TRANSPORTATION, INC.

DOCKET NO. MCF 21096

SUPPLEMENT TO APPLICATION UNDER 49 U.S.C. § 14303(a)
FOR APPROVAL OF THE ACQUISITION OF CONTROL OF
SALTER TRANSPORTATION, INC.
BY VAN POOL TRANSPORTATION LLC

Van Pool Transportation LLC, a Delaware limited liability company and a noncarrier ("Applicant"), respectfully submits this Supplement to its Application filed in this matter on May 4, 2021 (the "Application") per the instructions of the Surface Transportation Board (the "Board") in its decision served on June 3, 2021. The Application seeks after-the-fact authority for the Applicant's acquisition of control (the "Transaction") of the regulated interstate passenger motor carrier, Salter Transportation, Inc. ("Salter"), from Stephen O. Gadd, an individual ("Seller"). Prior to the Transaction, Applicant had acquired two (2) passenger motor carriers that hold interstate passenger motor carrier authority: NRT Bus, Inc. ("NRT"), and Trombly Motor Coach Service, Inc. ("Trombly"). The Transaction was completed on June 12, 2020; however, the parties to the Transaction, Applicant and Seller, were not aware until recently that the Transaction was subject to the jurisdiction of the Board.

1. **Scope of Operations of Salter, NRT and Trombly.**

A. **Operations of Salter.** Salter is a Massachusetts corporation with its principal place of business at 196 Scotland Road, Newbury, MA 01951. Salter was located at this location prior to the Transaction and continues to operate its business at this location today. Salter is a school bus services provider, furnishing non-regulated student transportation from home to school to home, and transportation of students for school-related activities such as athletics, field trips, and other school-related activities pursuant to contracts with public and private schools. The geographic service area of Salter, both prior to the Transaction and currently, has been all within the North Shore area of the commonwealth of Massachusetts (Essex County) and southern portion of the state of New Hampshire (the “Salter Service Geography”). Immediately prior to the Transaction, Salter offered charter transportation services and Salter continues to offer such services. More information regarding charter services is set forth hereinbelow.

B. **Passenger Carrying Vehicles and Drivers of Salter.** At the time of the Transaction, in providing its services Salter operated approximately 120 passenger vehicles consisting of 113 school buses and 7 mini-buses (16+ passenger), all of which were owned by Salter. Currently, Salter utilizes approximately 137 passenger vehicles consisting of 119 school buses and 18 mini-buses (16+ passenger), all of which are owned by Salter. At the time of the Transaction, Salter utilized approximately 150 drivers, and Salter currently utilizes approximately 103 drivers. At the time of the Transaction, all of Salter’s passenger vehicles were, and currently, all of Salter’s passenger vehicles are, utilized for student transportation services, with all of its mini-buses being outfitted/equipped for students with special needs. Salter does not utilize or maintain any vehicles solely for use in charter services.

C. Operations of NRT. NRT is a Massachusetts corporation with its principal place of business at 55 Hampshire Road, Methuen, MA 01844. NRT was located at this location prior to the Transaction and continues to operate its business at this location today. NRT is primarily a school bus services provider, furnishing non-regulated student transportation from home to school to home, and transportation of students for school-related activities such as athletics, field trips, and other school-related activities pursuant to contracts with public and private schools. The geographic service area of NRT, both prior to the Transaction and currently, has been all within the commonwealth of Massachusetts, east and north of the city of Worcester, and north of the city of Boston, providing services in the counties of Essex, Middlesex, Norfolk, Suffolk and Worcester (the “NRT Service Geography”). Also, since 2004, NRT has also provided campus shuttle services under contract with the University of Massachusetts – Lowell (the “UML Shuttle Services”). Immediately prior to the Transaction, NRT also offered charter transportation services and NRT continues to offer such services. More information regarding charter services is set forth hereinbelow.

D. Passenger Carrying Vehicles and Drivers of NRT. At the time of the Transaction, in providing its services NRT operated approximately 1,490 passenger vehicles consisting of 679 school buses (including 8 shuttle buses utilized in the UML Shuttle Services), 267 mini-buses (16+ passenger), and 366 vans (1-8 passenger), and 178 vans (9-15 passenger), all of which were owned by NRT. Currently, NRT utilizes approximately 1,490 passenger vehicles (the same as at the time of the Transaction) consisting of 679 school buses (including 8 shuttle buses in the UML Shuttle Services), 267 mini-buses (16+ passenger), and 366 vans (1-8 passenger), and 178 vans (9-15 passenger), all of which are owned by NRT. At the time of the Transaction, NRT utilized approximately 1,100 drivers, and NRT currently utilizes approximately 1,221 drivers. At the time of the Transaction all of NRT’s passenger vehicles were, and currently, all of NRT’s passenger vehicles are, utilized for student

transportation services, with all of its smaller vehicles (mini-buses and vans) being outfitted/equipped for students with special needs. NRT does not utilize or maintain any vehicles solely for use in charter services.

E. Operations of Trombly. Trombly is a Massachusetts corporation with its primary place of business at 16 Commercial Drive, Dracut, MA 01826. Trombly was located at this location prior to the Transaction and continues to operate its business at this location today. Trombly, like NRT, is primarily a school bus services provider, furnishing non-regulated student transportation from home to school to home, and transportation of students for school-related activities such as athletics, field trips, and other school-related activities pursuant to contracts with public and private schools. The geographic service area of Trombly is primarily the Merrimack Valley within the commonwealth of Massachusetts, with services being provided in the counties of Essex and Middlesex (the “Trombly Service Geography”). Immediately prior to the Transaction, Trombly also offered charter transportation services and Trombly continues to offer such services. More information regarding charter services is set forth hereinbelow.

F. Passenger Carrying Vehicles of Trombly. At the time of the Transaction, in providing its services Trombly operated approximately 266 passenger vehicles consisting of 126 school buses, 25 mini-buses (16+ passenger), and 82 vans (1-8 passenger), and 33 vans (9-15 passenger), all of which were owned by Trombly. Currently, Trombly utilizes approximately 266 passenger vehicles (the same as at the time of the Transaction) consisting of 126 school buses, 25 mini-buses (16+ passenger), and 82 vans (1-8 passenger), and 33 vans (9-15 passenger), all of which are owned by Trombly. At the time of the Transaction, all of Trombly’s passenger vehicles were, and currently, all of Trombly’s passenger vehicles are, utilized for student transportation services, with all of its smaller vehicles (mini-buses and

vans) being outfitted/equipped for students with special needs. Trombly does not utilize or maintain any vehicles solely for use in charter services.

G. Charter Services of Salter, NRT and Trombly. At the time of the Transaction, each of Salter, NRT and Trombly offered and provided charter transportation services to the traveling public, and Salter, NRT and Trombly today continue to offer and provide such services; however, charter services constitute a very small portion of the annual miles traveled and revenue generated for each of them. As mentioned above, for both the time of the Transaction and as of today, all of the passenger carrying vehicles of Salter, NRT and Trombly have been designed, equipped and utilized for student transportation. The vast majority of the charter services performed by Salter, NRT and Trombly are for school related activities under their bid contracts with the various schools for which they provide student home to school to home transportation services. School buses and vehicles utilized for student transportation have extremely limited appeal for charter services typically utilized by the general public, when compared to more comfortable motor coaches that typical charter companies utilize, and due to the limited availability of the vehicles utilized in the daily school schedule. Accordingly, the charter services provided by Salter, NRT and Trombly, were at the time of the Transaction, and continue today to be, primarily the transportation of students, teachers and chaperones for field trips and other school related excursions. The majority of the interstate portions of charter trips for Salter, NRT and Trombly would involve trips between Massachusetts and New Hampshire, although trips from Massachusetts to other adjoining states could be facilitated. Historically, charter services have represented between 3% and 4% of the annual revenues of Salter, NRT and Trombly; however, the demand for charter services in the geographic areas serviced by each of them (as well as nationwide) has been significantly reduced by the effects of the COVID-19 pandemic (the “COVID Situation”). Currently, charter services represent less than 2% of Salter’s, NRT’s

and Trombly's annual revenues, and interstate charter services represent less 0.02% of their respective annual revenues. It is anticipated that demand for charter services will increase as the COVID Situation improves; however, it will still continue to be a very small portion of their revenue. Because charter services constitute such a small portion of the aggregate business of Salter, NRT and Trombly, the number of passenger vehicles that they utilize is solely dependent on the requirements of their respective school contracts. The number of vehicles in their respective fleets vary from time-to-time, depending on school contract requirements and utilizations, vehicle replacement cycles, and the market for such passenger vehicles. It should be noted that the number of vehicles reflected in the Company Snapshot of the Federal Motor Carrier Safety Administration's (the "FMCSA") Safety and Fitness Electronic Records (SAFER) System is dependent on information submitted by the applicable motor carriers on form MCS-150 (Motor Carrier Identification Report), which is required to be updated biennially. Accordingly, the number of vehicles reflected in the Company Snapshot may not be the same as the number of vehicles in use by a carrier at a given point in time. In its Application, Applicant estimated the number of passenger vehicles utilized by Salter, NRT and Trombly at both the time of the Transaction and as of the time of the filing of the Application. The information herein relative to the number and types of vehicles utilized by Salter, NRT and Trombly are more precise approximations.

2. Competition.

A. School Bus Contract Competition. Public and private schools often outsource some or all of their student transportation services to carriers such as Salter, NRT and Trombly under contracts typically having lengths of terms from 3 to 5 years, using competitive bidding processes. There are approximately 50 or more school bus contractors within the commonwealth of Massachusetts. Competitors of Salter, NRT and Trombly include local and regional providers, such as A & F Bus Co., Eastern Bus, Kiessling Transit,

Tremblay's Bus Company, and J.P. McCarthy & Sons, and larger national providers under the control of transportation companies such as First Student, National Express, and Student Transportation. Salter, NRT and Trombly would have been considered to be potential competitors prior to the Transaction; however, their service areas were and continue to be different. The control of Salter, NRT and Trombly by Applicant has not had a negative impact on competition within the school bus contractor segment due to the number of competitors within the segment, the competitive bidding processes that are utilized to award the service contracts, and the fact that many users of these transportation services (public and private schools) evaluate the cost efficiencies of the services provided by third-parties (such as Salter, NRT and Trombly) against the costs and/or other service efficiencies of providing the services internally.

B. Charter Service Competition. Most school bus service contractors offer to some extent charter services utilizing their school bus and student transportation equipment. Such services can generate additional revenue to the contractor and result in increased utilization of school bus and student transportation equipment that would otherwise be idle; however, aside from school-related or student-related activities, school buses and student transportation equipment are of very limited appeal for charter services to the general public. Accordingly, and as mentioned above, the vast majority of the charter services performed by Salter, NRT and Trombly are for school related activities, and the fees for those services are included within the competitive bidding process with the various schools. There is significant competition among the general charter service providers within the geographic areas served by Salter, NRT and Trombly, as there have been and continue to be a multitude of charter service providers serving the counties of Essex, Middlesex, Norfolk, Suffolk and Worcester. Charter services in the area are offered by the local and regional charter motor coach providers, such as Fox Bus Lines, Academy Charter, and Boston Charter Bus, and other

school bus contractors in the area, such as A & F Bus Co., Eastern Bus, Kiessling Transit, Tremblay's Bus Company, and J.P. McCarthy & Sons. Prior to the Transaction, Salter, NRT and Trombly competed with each other in the market of charter services. Since the Transaction, Salter, NRT and Trombly continue to compete in the market for charter services due to their different locations, and the variables of the availability of equipment and drivers from time to time.

C. Impact of the Transaction on Competition and the Public Interest. Applicant submits that the Transaction has been consistent with the public interest. The Transaction has enabled Salter, NRT and Trombly to take advantage of certain economies of scale due to increased purchasing power (relative to items such as equipment, parts, fuel and insurance) and more efficient use of assets and equipment, which has resulted in each carrier being stronger financially and able to effectively compete in their respective geographies with good equipment and sound safety records. While the costs of passenger transportation in general have increased between the time of the Transaction and today, the fees charged by Salter, NRT and Trombly for their charter services over that period of time have not increased beyond the cost increases of passenger transportation in general. Also, because the vast majority of the charter services performed by Salter, NRT and Trombly are pursuant to their school contracts (which are competitively bid), there is no opportunity to unduly increase the fees for such services. The Transaction has not had a material, detrimental impact on the adequacy of transportation services available for the public, as the respective services Salter, NRT and Trombly made available to the public prior to the Transaction, have continued to be provided and maintained, respectively, since the Transaction. There has been no reduction in availability or scheduling of the charter services (intrastate and interstate) provided by Salter, NRT and Trombly as a result of the Transaction.

3. **Employee Interests.** The operations of Salter, NRT and Trombly have continued substantially unchanged since the Transaction, subject to the requirements and availability of personnel to staff the designated functions under their respective school bus transportation contracts. As a result of and since the Transaction, there has been no substantial impact on employees or labor conditions at Salter, NRT or Trombly, and there have been no layoffs or reductions in force at Salter, NRT or Trombly. However, it is important to note that many segments of the motor carrier transportation industry have been and continue to be challenged relative to carriers' ability to attract, hire and maintain qualified drivers, and the COVID Situation has exacerbated that situation. Due to these circumstances, Salter, NRT and Trombly each have a significant number of open, unfilled driver positions, and are competing with other school bus contractors and passenger motor carriers to find, hire and retain additional qualified drivers.

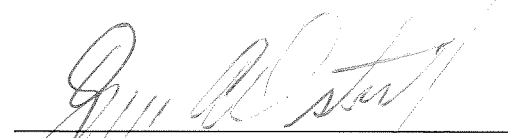
4. **Correction – Safety Rating.** In section I.D of the Application, it was mistakenly stated that Salter had a “Satisfactory” USDOT Safety Rating, which is incorrect. Salter has no USDOT Safety Rating. The aforementioned mistake was repeated in Exhibit A of the Application. To rectify such mistake, attached hereto is Corrected Exhibit A.

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“Applicant”

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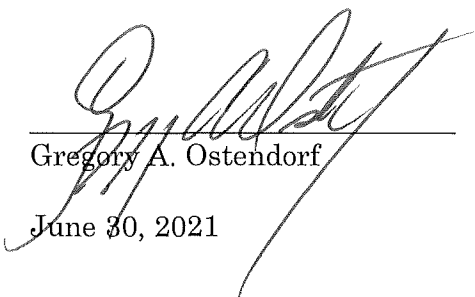
Respectfully,



Andrew K. Light
Gregory A. Ostendorf
Counsel for Applicant

Certificate of Service

I hereby certify that as required by 49 C.F.R. § 1182.3, I have served a copy of the foregoing Application by mailing a copy thereof, via U.S. first-class mail on the U.S. Department of Transportation, Chief Licensing and Insurance Division, 1200 New Jersey Avenue, S.E., Mail Stop W65-331, Washington, DC 20590; and the state regulatory agency for the states in which intrastate operations are affected. I further certify that as required by 15 U.S.C. § 18a(c)(6), I have also served a copy of the foregoing Application, and copies of all other information and documentary material filed with the Surface Transportation Board in connection with the Contemplated Transaction, via email on the United States Federal Trade Commission and the Antitrust Division of the United States Department of Justice.



Gregory A. Ostendorf

June 30, 2021

<u>Corrected Exhibit A</u>			
<u>Entity or Person Names</u>	<u>USDOT No.</u>	<u>FMCSA Docket No.</u>	<u>USDOT Safety Rating</u>
Van Pool Transportation LLC (Applicant)	None	None	None
NRT Bus Inc.	1166825	MC-595581	Satisfactory
Trombly Motor Coach Service Inc.	106905	MC-116313	Satisfactory
Stephen O. Gadd (Seller)	None	None	None
Salter Transportation, Inc.	2446427	MC-190881	None