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SERVICE DATE – AUGUST 1, 2025

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. MCF 21131

TRIVEST FUND VII, L.P. AND PASSENGER TRANSPORT HOLDINGS, L.P.—
ACQUISITION OF CONTROL—CLINE TOURS, INC. ET AL.

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Approving and Authorizing Finance Transaction.

SUMMARY: Trivest Fund VII, L.P. (Trivest) and its subsidiary, Passenger Transport Holdings, L.P. (PTH) (collectively, Applicants), both noncarriers, filed an application seeking authority to acquire control of Cline Tours, Inc. (Cline), a passenger motor carrier, and Cline's passenger motor carrier subsidiaries, Bus Supply Charters, Inc. (BSCI) and Crown Coach Corporation (Crown) (collectively, the Cline Companies). Cline also seeks after-the-fact authority for its prior acquisition of BSCI and Crown. The Board is tentatively approving and authorizing these transactions. If no opposing comments are timely filed, this notice will be the final Board action.

DATES: Comments must be filed by September 15, 2025. If any comments are filed, Applicants and Cline may file a reply by September 30, 2025. If no opposing comments are filed by September 15, 2025, this notice shall be effective on September 16, 2025.

ADDRESSES: Comments, referring to Docket No. MCF 21131, 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: Mark J. Andrews, Clark Hill PLC, 1001 Pennsylvania Ave. N.W., Suite 1300 South, Washington, DC 20004.

FOR FURTHER INFORMATION CONTACT: Jonathon Binet at (202) 915-4348. If you require an accommodation under the Americans with Disabilities Act, please call (202) 245-0245.

SUPPLEMENTARY INFORMATION: On May 1, 2025, Applicants filed an application under 49 U.S.C. 14303 and 49 CFR part 1182 for Board authority to acquire control of Cline and the Cline Companies. (Appl. 2.) By a decision served on May 30, 2025, the Board directed Applicants to seek after-the-fact authority for Cline's prior acquisition of BSCI and Crown or explain why such authority was not required. Applicants filed supplements on June 18, 2025

(June 18 Suppl.) and July 2, 2025 (July 2 Suppl.) providing additional information in support of the request for after-the-fact authority for Cline's acquisition of control of BSCI and Crown.¹

According to the application, PTH seeks to acquire all voting securities of Cline and therefore to also acquire control of Cline's motor carrier subsidiaries BSCI and Crown.² (Appl. 2.) Because Trivest controls PTH, this transaction would also result in Trivest obtaining control of the Cline Companies.³ Applicants state that they already control Star Shuttle LLC (Star Shuttle), a passenger motor carrier.⁴

Applicants state that the Cline Companies transport 1.5 million passengers annually to and from points in Alabama, Arkansas, Mississippi, and Tennessee. (Appl. 4.) According to Applicants, the Cline Companies utilize approximately 200 vehicles and have a total of approximately 290 employees. (*Id.*) Applicants further state that Star Shuttle has approximately 230 employees who provide bus transportation primarily to, from and within South Texas. (*Id.* at 5.) In addition, Applicants state that both Star Shuttle and the Cline Companies provide contract-based passenger transportation services to tour operators, transit authorities, other governmental agencies, corporations, higher educational institutions and healthcare facilities wishing to outsource the movement of passengers. (*Id.*) According to Applicants, the Cline Companies engage in primarily tour and charter operations with some fixed route operations while Star Shuttle's operations are mostly fixed route but also involve tour and charter operations as well as shuttle services. (*Id.*)

Applicants also seek after-the-fact authorization for Cline's acquisition of BSCI and Crown. Applicants state that Cline acquired all of BSCI's stock from Keith Sanders in October 2015. (*Id.* at 3.) According to Applicants, at the time Cline acquired BSCI, Cline was a provider of charter, shuttle, and school bus services with approximately 150 vehicles servicing Mississippi, Alabama, and Arkansas, and BSCI was a provider of charter services with approximately 18 vehicles serving Mississippi and Louisiana. (*Id.*) In addition, Applicants claim that approximately 90% of BSCI's passenger revenue and mileage at that time was derived from intrastate operations or from exempt interstate operations such as school and airport transportation. Applicants state that Cline acquired all the stock of Crown from John Wilson and Lori Womach in August 2024. (*Id.* at 5.) According to Applicants, at the time Cline acquired Crown, Cline was providing charter, shuttle and school bus services with about 190 vehicles servicing Mississippi, Alabama and Arkansas and Crown was providing predominantly charter services and some shuttle operations serving Tennessee with nine vehicles. (*Id.*)

¹ For purposes of determining the procedural schedule and statutory deadlines, the filing date of the application is July 2, 2025. See 49 CFR 1182.4(a).

² More information about the Cline Companies, including U.S. Department of Transportation (USDOT) numbers, motor carrier numbers, and USDOT safety fitness ratings, can be found in the application. (Appl. 3-4, Ex. D.)

³ More information about the proposed corporate structure and ownership can be found in the application. (Appl. 2-3, Ex. A-C.)

⁴ More information about Star Shuttle, including USDOT numbers, motor carrier numbers, and USDOT safety fitness ratings, can be found in the application. (Appl. 4, Ex. D.)

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 resulting 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 demonstrating 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).

Acquisition of the Cline Companies by Applicants. Applicants state that their proposed acquisition of the Cline Companies should have no adverse impact on the adequacy of transportation. (Appl. 6-7.) Applicants argue that their proposed acquisition would not result in any meaningful reduction in charter bus services available to the public given the large number of companies involved in providing such services and the low barriers to entry in the passenger motor carrier industry. (Id. at 6.) Applicants further claim that the Cline Companies and Star Shuttle have every incentive to maintain and improve the adequacy of their services in the outsourced passenger transit services market because of the competitive process involved in bidding on contracts to provide such services. (Id. at 6-7.) In addition, Applicants state that they must maintain a high level of service in that market because users of third-party transit services such as governments and universities have the option to take transportation operations in-house. (Id. at 7.)

With respect to fixed charges, Applicants state that they plan to finance the proposed transaction with equity from Trivest affiliated funds and with third-party debt, which will be secured at closing. (Id. at 8.) According to Applicants, payments on the third-party debt will be structured to maintain significant cash coverage over and above mandatory principal repayments. (Id.)

Applicant asserts that they have no intention of significantly reducing employment levels following the proposed transaction. (Id.) According to Applicants, they face a shortage of qualified employees and are actively recruiting. (Id.)

With respect to the potential effect on competition, Applicants claim that Star Shuttle's operations have little or no geographic overlap with the areas served by the Cline Companies. (Id. at 5.) In addition, Applicants state that the operations of Star Shuttle and those of the Cline Companies are "highly complementary" because they are focused on different types of service.⁵ (Id.)

⁵ Applicants state that for fiscal year 2024, the Cline companies derived 8% of revenue from fixed route operations and 92% of revenue from tour and charter operations while Star Shuttle derived 63% of revenue from fixed route operations, 13% of revenue from shuttle operations, and 24% of revenues from tour and charter operations.

Cline's Prior Acquisition of BSCI and Crown. Applicants contend that Cline's prior acquisitions of control of the BSCI and Crown were consistent with the public interest. (June 18 Suppl. 3.) According to Applicants, the acquisitions did not result in a reduction in services but rather expanded access to bus transportation in the combined service areas of Cline, BSCI, and Crown. (*Id.* at 4, 6.) Applicants further state that the acquisitions provided fresh capital to BSCI and Crown. (*Id.*) With respect to fixed charges, Applicants state that Cline acquired BSCI and Crown using cash and that the acquisitions therefore did not result in any fixed charges. (July 2 Suppl. 1.) In addition, Applicants state the acquired carriers increased employment in their service areas by hiring additional drivers following their acquisitions. (June 18 Suppl. 4, 6.)

Based on Applicants' representations, the Board finds that Applicants' proposed acquisition of the Cline Companies is consistent with the public interest and should be tentatively approved and authorized. The Board also finds that Cline's prior acquisitions of control of the BSCI and Crown are consistent with the public interest and should be tentatively approved and authorized after the fact. 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 the 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 acquisition of control of the Cline Companies by Applicants is approved and authorized, subject to the filing of opposing comments.
2. Cline's prior acquisitions of BSCI and Crown are approved and authorized after the fact, subject to the filing of opposing comments.
3. If opposing comments are timely filed, the findings made in this notice will be deemed vacated.
4. This notice will be effective September 16, 2025, unless opposing comments are filed by September 15, 2025. If any comments are filed, Applicants may file a reply by September 30, 2025.

5. 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: July 28, 2025.

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