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## DEPARTMENT OF TRANSPORTATION

### Surface Transportation Board

[STB Finance Docket No. 33431]

#### Coach USA, Inc. and K-T Contract Services, Inc.—Control and Merger Exemption—Gray Line Tours of Southern Nevada

**AGENCY:** Surface Transportation Board, DOT.

**ACTION:** Notice of Filing of Petition for Exemption.

**SUMMARY:** Coach USA, Inc. (Coach), a noncarrier that controls 27 motor passenger carriers, and K-T Contract Services, Inc. (K-T), a motor carrier of passengers wholly owned by Coach, seek to be exempted, under 49 U.S.C. 13541, from the prior approval requirements of 49 U.S.C. 14303, to acquire control of Gray Line Tours of Southern Nevada (Gray Line) and to merge Gray Line into K-T.

**DATES:** Comments must be filed by October 6, 1997. Petitioners may file a reply by October 21, 1997.

**ADDRESSES:** Send an original and 10 copies of comments referring to STB Finance Docket No. 33431 to: Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, NW., Washington DC 20423-0001. In addition, send one copy of comments to Petitioners' representatives: Betty Jo Christian and David H. Coburn, Steptoe & Johnson LLP, 1330 Connecticut Avenue, NW., Washington, DC 20036.

**FOR FURTHER INFORMATION CONTACT:** Joseph H. Dettmar, (202) 565-1600. (TDD for the hearing impaired: (202) 565-1695.)

**SUPPLEMENTARY INFORMATION:** Coach, a noncarrier, and its wholly owned subsidiary K-T, a motor carrier of passengers (MC 218583), seek an exemption to acquire control of Gray Line (MC-127564), a Nevada-based motor carrier that operates in interstate and intrastate commerce, and to merge Gray Line into K-T.<sup>1</sup>

By virtue of exemptions issued to it in STB Finance Docket Nos. 32876 (Sub-No. 1), 33073, 33343, and 33377,<sup>2</sup> Coach

currently controls 27 motor carriers of passengers, including co-petitioner K-T.<sup>3</sup> Coach and K-T state that their acquisition of control of Gray Line through the acquisition of Gray Line's stock by K-T will not inhibit competition or reduce transportation options available to the public.

Petitioners also claim that the acquisition of control of Gray Line will allow that carrier to offer improved service at lower costs made possible by the coordination of functions, centralized management, financial

*Lines, Inc.; H.A.M.L. Corp.; Leisure Time Tours; Suburban Management Corp.; Suburban Trails, Inc.; and Suburban Transit Corp.,* STB Finance Docket No. 32876 (Sub-No. 1) (STB served May 3, 1996); *Coach USA, Inc.—Control Exemption—American Sightseeing Tours, Inc.; California Charters, Inc.; Texas Bus Lines, Inc.; Gulf Coast Transportation, Inc.; and K-T Contract Services, Inc.,* STB Finance Docket No. 33073 (STB served Nov. 8, 1996); *Coach USA, Inc.—Control Exemption—Progressive Transportation, Inc.; Powder River Transportation Services, Inc.; Worthen Van Service, Inc.; and PCSTC, Inc.,* STB Finance Docket No. 33343 (STB served May 15, 1997); and *Coach USA, Inc.—Control Exemption—Airport Bus of Bakersfield; Antelope Valley Bus, Inc.; Desert Stage Lines, Inc.; Bayou City Coaches, Inc.; Kerrville Bus Company, Inc.; Red & Tan Charter, Inc.; Red & Tan Tours; and Rockland Coaches, Inc.,* STB Finance Docket No. 33377 (STB served May 15, 1997).

<sup>3</sup>They include: Airport Bus of Bakersfield (MC-163191), American Sightseeing Tours, Inc., d/b/a ASTI (MC-252353), Antelope Valley Bus, Inc. (MC-125057), Arrow Stage Lines, Inc. (MC-29592), Bayou City Coaches, Inc. (MC-245246), California Charters, Inc. (MC-241211), Cape Transit Corp. (MC-161678), Community Coach, Inc. (MC-76022), Community Transit Lines, Inc. (MC-145548), Desert Stage Lines, Inc. (MC-140919), Grosvenor Bus Lines, Inc. (MC-157317), Gulf Coast Transportation, Inc., d/b/a Gray Line Tours of Houston (MC-201397), H.A.M.L. Corp. (MC-194792), K-T Contract Services, Inc. (MC-218583), Kerrville Bus Company, Inc. (MC-27530), Leisure Time Tours (Leisure Time) (MC-142011), PCSTC, Inc., d/b/a Pacific Coast Sightseeing/Gray Line of Anaheim-Los Angeles (MC-184852), Powder River Transportation Services, Inc. (MC-161531), Progressive Transportation Services, Inc. (MC-247074), Red & Tan Charter, Inc. (MC-204842), Red & Tan Tours, Inc. (MC-162174), Rockland Coaches, Inc. (MC-29890), Suburban Management Corp. (MC-264527), Suburban Trails, Inc. (MC-149081), Suburban Transit Corp. (MC-115116), Texas Bus Lines, Inc. (MC-37640), and Worthen Van Service, Inc. (MC-142573).

In *Coach USA, Inc.—Control Exemption—American Charters, Ltd.*, STB Finance Docket No. 33393, Coach seeks an exemption to acquire control over American Charters, Ltd. (MC-153814). The Board served and published a notice in the **Federal Register** (62 FR 28531) on May 23, 1997, instituting an exemption proceeding. Comments were due by June 23, 1997; none was filed. A final decision is currently pending with the Board.

In *Coach USA, Inc., and Leisure Time Tours—Control and Merger Exemption—Van Nortwick Bros., Inc., The Arrow Line, Inc., and Trentway-Wagar, Inc.*, STB Finance Docket No. 33428, Coach and Leisure Time seek an exemption to acquire control of Van Nortwick Bros. and merge Van Nortwick into Leisure Time, which will remain as the surviving entity. Coach also seeks an exemption to acquire control of two additional motor passenger carriers, The Arrow Line, Inc., and Trentway-Wagar, Inc.

support, rationalization of resources, and economies of scale that are anticipated from the common control. Coach also states that all collective bargaining agreements will be honored, that employee benefits will improve, and that no change in management personnel is planned. Coach and K-T submit that a merger of K-T and Gray Line would result in the more efficient use of transportation resources and improved service to the public.

Additional information may be obtained from Petitioners' representatives.

A copy of this notice will be served on the Department of Justice, Antitrust Division, 10th Street & Pennsylvania Avenue, N.W., Washington, DC 20530.

Decided: August 18, 1997.

By the Board, Chairman Morgan, Vice Chairman Owen.

**Vernon A. Williams,**  
Secretary.

[FR Doc. 97-22473 Filed 8-21-97; 8:45 am]

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## DEPARTMENT OF TRANSPORTATION

### Surface Transportation Board

[STB Finance Docket No. 33435]

#### K. Earl Durden, Rail Management & Consulting Corporation, and Rail Partners, L.P.; Acquisition of Control Exemption; Pennington Railroad, Inc

K. Earl Durden (Durden), Rail Management & Consulting Corporation (RMCC), and Rail Partners, L.P. (Partners)<sup>1</sup> (collectively, applicants), have filed a notice of exemption<sup>2</sup> to acquire control of Pennington Railroad, Inc. (Pennington), a noncarrier. According to applicants, before the closing of the transaction, Pennington's parent company, James River Paper Company, Inc. (JRP) will merge Pennington into the Meridian & Bigbee Railroad Company (Meridian), a Class III rail carrier that is also owned and

<sup>1</sup> Durden, RMCC, and Partners control 12 Class III rail carriers located in Alabama, Arizona, Arkansas, Florida, Georgia, Kentucky, North Carolina, Tennessee, Texas, and Wisconsin. They are: Atlantic & Western Railway, L.P.; The Bay Line Railroad, L.L.C.; Copper Basin Railway; East Tennessee Railway, L.P.; Galveston Railroad, L.P.; Georgia Central Railway, L.P.; KWT Railway, Inc.; Little Rock & Western Railway, L.P.; Tomahawk Railway, L.P.; Valdosta Railway, L.P.; Western Kentucky Railway, L.L.C.; and Wilmington Terminal Railroad, L.P. These rail carriers are referred to as the RMCC Rail Group.

<sup>2</sup> Concurrent with the filing of the notice of exemption, applicants filed, pursuant to 49 CFR 1117.1, a petition to file under seal the Agreement of Merger in this proceeding. By decision served August 18, 1997, the Board granted applicants' request.

<sup>1</sup> The stock of Gray Line has been placed in an independent voting trust to avoid any unlawful control pending disposition of this proceeding.

<sup>2</sup> See *Notre Capital Ventures II, LLC and Coach USA, Inc.—Control Exemption—Arrow Stage Lines, Inc.; Cape Transit Corp.; Community Coach, Inc.; Community Transit Lines, Inc.; Grosvenor Bus*

controlled by JRP. Upon consummation of the transaction, Pennington will remain as the surviving corporation and Pennington will therefore become a Class III rail carrier. Pennington will then merge into M&B Railroad, L.L.C. (MBRR), a noncarrier entity wholly owned and controlled by applicants,<sup>3</sup> and applicants will thereby assume control of Pennington. Applicants state that the transaction was expected to be consummated on or about July 31, 1997.

Applicants state that: (1) The merged MBRR will not connect with any other railroad in the RMCC Rail Group; (2) MBRR's merger with Pennington is not part of a series of anticipated transactions that would connect the railroads of the RMCC Rail Group with each other; and (3) the transaction does not involve a Class I carrier. The transaction therefore is exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(2). The purpose of the transaction is to transfer ownership of, and responsibility for, Pennington from JRP to applicants, thereby enabling JRP to concentrate on its core business operations, without distractions related to its single railroad operation, while allowing applicants to expand their railroad operations into a new part of the country. MBRR will continue to handle freight for customers Meridian previously served, without material changes in the level or quality of transportation service provided.

Under 49 U.S.C. 10502 (g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Section 11326 (c), however, does not provide for labor protection for transactions under sections 11324-25 that involve only Class III rail carriers. Because this transaction involves Class III rail carriers only, the Board, under statute, may not impose labor protective conditions for this transaction.<sup>4</sup>

If the verified notice contains false or misleading information, the exemption is void *ab initio*. Petitions to reopen the proceeding to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to

reopen will not stay the transaction. An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33435, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on: Donald G. Avery, Slover & Loftus, 1224 Seventeenth Street, N.W., Washington, DC 20036.

Decided: August 18, 1997.

By the Board, David M. Konschnick, Director, Office of Proceedings.

**Vernon A. Williams,**  
Secretary.

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## DEPARTMENT OF TRANSPORTATION

### Surface Transportation Board

[STB Docket No. AB-55 (Sub-No. 521X)]

#### CSX Transportation, Inc.; Abandonment Exemption; in Fulton County, GA

On August 4, 1997, CSX Transportation, Inc. (CSXT), filed with the Surface Transportation Board (Board) a petition under 49 U.S.C. 10502 for exemption from the provisions of 49 U.S.C. 10903 to abandon a portion of its line of railroad known as the Atlanta Terminal Subdivision, extending from railroad milepost ANB-864.04 near Wheeler St. to railroad milepost ANB-864.62 at the end of the track at Simpson St., which traverses U.S. Postal Service zip Code 30318, a distance of 0.58 miles, in Fulton County, Ga. CSXT has indicated that there are no stations on the line.

The line does not contain federally granted rights-of-way. Any documentation in CSXT's possession will be made available promptly to those requesting it.

The interest of railroad employees will be protected by the conditions set forth in *Oregon Short Line R. Co.—Abandonment—Goshen*, 360 I.C.C. 91 (1979).

By issuance of this notice, the Board is instituting an exemption proceeding pursuant to 49 U.S.C. 10502(b). A final decision will be issued by November 21, 1997.

Any offer of financial assistance (OFA) under 49 CFR 1152.27(b)(2) will be due no later than 10 days after service of a decision granting the petition for exemption. Each OFA must be accompanied by a \$900 filing fee. See 49 CFR 1002.2(f)(25).

All interested persons should be aware that following abandonment of rail service and salvage of the line, the line may be suitable for other public use, including interim trail use. Any request for a public use condition under 49 CFR 1152.28 or for trail use/rail banking under 49 CFR 1152.29 will be due no later than September 11, 1997. Each trail use request must be accompanied by a \$150 filing fee. See 49 CFR 1002.2(f)(27).

All filings in response to this notice must refer to STB Docket No. AB-55 (Sub-No. 521X) and must be sent to: (1) Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001; and (2) Charles M. Rosenberger, 500 Water Street, Jacksonville, FL 32202.

Persons seeking further information concerning abandonment procedures may contact the Board's Office of Public Services at (202) 565-1592 or refer to the full abandonment or discontinuance regulations at 49 CFR part 1152.

Questions concerning environmental issues may be directed to the Board's Section of Environmental Analysis (SEA) at (202) 565-1545. (TDD for the hearing impaired is available at (202) 565-1695.)

An environmental assessment (EA) (or environmental impact statement (EIS), if necessary) prepared by SEA will be served upon all parties of record and upon any agencies or other persons who commented during its preparation. Other interested persons may contact SEA to obtain a copy of the EA (or EIS). EAs in these abandonment proceedings normally will be made available within 60 days of the filing of the petition. The deadline for submission of comments on the EA will generally be within 30 days of its service.

Decided: August 18, 1997.

By the Board, David M. Konschnick, Director, Office of Proceedings.

**Vernon A. Williams,**  
Secretary.

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### Proposed Collection; Comment Request For Form 9117

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Notice and request for comments.

<sup>3</sup> According to applicants, the corporate merger of Meridian into Pennington, followed by the corporate merger of Pennington into MBRR, will result in MBRR's complete assumption of Meridian's railroad operations and corporate obligations. Applicants also state that MBRR, as the corporate successor of Meridian, will conduct Meridian's railroad operations without material change.

<sup>4</sup> Applicants note, however, that MBRR is inheriting, and affirmatively assuming, all of Meridian's collective bargaining agreements with the labor organizations that represent its employees, and MBRR will continue the employment of all of Meridian's employees covered by such collective bargaining agreements.