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June 30, 2021  
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Public Record

BEFORE THE  
SURFACE TRANSPORTATION BOARD

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IN THE MATTER OF  
  
VAN POOL TRANSPORTATION LLC  
  
– ACQUISITION OF CONTROL –  
  
NRT BUS, INC. AND TROMBLY MOTOR COACH SERVICE INC.  
  
DOCKET NO. MCF 21095

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SUPPLEMENT TO APPLICATION UNDER 49 U.S.C. § 14303(a)  
FOR APPROVAL OF THE ACQUISITION OF CONTROL OF  
NRT BUS, INC. AND TROMBLY MOTOR COACH SERVICE INC.  
BY VAN POOL TRANSPORTATION LLC

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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 carriers, Trombly Motor Coach Service Inc. (“Trombly”), and NRT Bus Inc (“NRT”), from John J. McCarthy, an individual (“Seller”). The Transaction was completed on September 30, 2019; 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 NRT and Trombly.

A. 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.

B. Passenger Carrying Vehicles and Drivers of NRT. At the time of the Transaction, in providing its services NRT operated approximately 1,320 passenger vehicles consisting of 600 school buses (including 8 shuttle buses utilized the UML Shuttle Services), 220 mini-buses (16+ passenger), and 300 vans (1-8 passenger), and 200 vans (9-15 passenger), all of which were owned by NRT. Currently, NRT utilizes approximately 1,490 passenger vehicles 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 1,400 drivers, and NRT currently utilizes approximately 1,221 drivers to perform its services. 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.

C. 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.

D. 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 (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, Trombly utilized approximately 280 drivers, and Trombly currently utilizes approximately 142 drivers to perform its services. 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.

E. Charter Services of NRT and Trombly. At the time of the Transaction, each of NRT and Trombly offered and provided charter transportation services to the traveling public, and 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 both carriers. As mentioned above, for both the time of the Transaction and as of today, all of the passenger carrying vehicles of NRT and Trombly have been designed, equipped and utilized for student transportation. The vast majority of the charter services performed by 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 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 both 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 NRT and Trombly; however, the demand for charter services in the geographic areas serviced by NRT and Trombly (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 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 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 and Seller estimated the number of passenger vehicles utilized by 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 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 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 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. 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 both 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 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 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 both 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, NRT and Trombly competed with each other in the market of charter services. Since the Transaction, 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 both 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 both carriers 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 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 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 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 NRT and Trombly as a result of the Transaction.

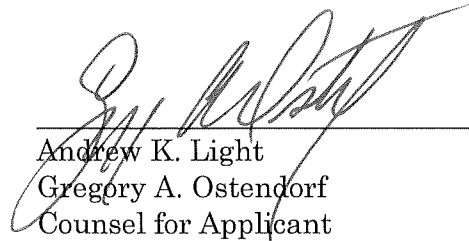
3.     **Employee Interests.** The operations of both NRT and Trombly have continued substantially unchanged since the Transaction, subject to the requirements and availability of personnel to staff the designated functions under their respective school bus transportation contracts. As a result of and since the Transaction, there has been no substantial impact on employees or labor conditions at NRT and Trombly, and there have been no layoffs or reductions in force at 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, 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.

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“Applicant”

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Respectfully,

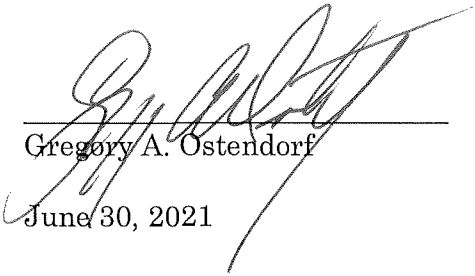


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Andrew K. Light  
Gregory A. Ostendorf  
Counsel for Applicant

**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.



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Gregory A. Ostendorf

June 30, 2021