

SERVICE DATE – MAY 30, 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.

Decided: May 30, 2025

On May 1, 2025, Trivest Fund VII, L.P., and its subsidiary, Passenger Transport Holdings, L.P. (collectively, Applicants), both noncarriers, filed an application (Application) under 49 U.S.C. § 14303 seeking authority to acquire control of the motor carrier Cline Tours, Inc. (Cline), and Cline’s motor carrier subsidiaries, Bus Supply Charters, Inc. (BSCI), and Crown Coach Corporation (Crown). As discussed below, Cline will be directed to supplement the Application by seeking after-the-fact authority for its prior acquisition of BSCI and Crown, or by explaining why such authority is not necessary.

According to Applicants, “Cline was acquired by its current ownership in 1996 and it subsequently acquired BSCI and Crown.” (Appl. 4.) Pursuant to 49 U.S.C. § 14303(a), Board authority is generally required for a motor carrier providing interstate transportation to acquire another such motor carrier. 49 U.S.C. §§ 13501, 14303(a). Applicants state that Cline did not believe Board authority was required for its acquisition of BSCI and Crown, because “more than 90 percent of their passenger revenue and mileage was derived from intrastate operations, or from exempt interstate operations such as school and airport transportation.” (*Id.* at 4 n.2.)

However, the applicability of § 14303(a) to a motor carrier acquisition does not turn on the percentage of revenue or mileage that the motor carrier derives from intrastate operations or exempt operations. Pursuant to 49 U.S.C. § 14303(g), Board authority is not required for transactions involving motor carriers whose gross operating revenues are less than \$2,000,000. The percentage of the revenue derived from interstate or exempt operations, however, is not relevant. *See* 49 C.F.R. § 1182.2(a)(5) (stating that under § 14303(g), gross operating revenues includes revenue “from all transportation sources (whether interstate, intrastate, foreign, regulated, or unregulated)”); Van Pool Transp. LLC—Acquis. of Control—Alltown Bus Serv. Inc., MCF 21100, slip op. at 3 n.4 (STB served, July 14, 2022) (granting Board approval for the acquisition of a motor carrier that derived less than 0.8% of its aggregate annual revenue from interstate charter operations). Thus, unless Cline’s acquisition of BSCI and Crown fell below the revenue threshold set by § 14303(g), it appears that Cline was required to obtain Board authority.

Where an entity has acquired a carrier without first obtaining necessary Board authority, the Board generally requires that entity to seek after-the-fact authority for its prior unauthorized acquisition. *See, e.g., Regan—Acquis. of Control—Faribault Transp. Serv., Inc.*, MCF 21123

(STB served Sept. 26, 2024). The Board has done so even with respect to entities that are no longer owned or controlled by the motor carrier acquired without Board authority. See McCarthy—Acquis. of Control—Trombly Motor Coach Serv. Inc., MCF 21094 et al. (STB served June 3, 2021) (ordering entity that acquired a motor carrier without Board authority, but no longer owned that motor carrier, to provide additional information regarding its prior unauthorized acquisition to determine whether to grant after-the-fact authority). Because it appears that Board authority may have been required for Cline’s acquisition of BSCI and Crown, Cline will be directed to either (1) seek after-the-fact authority for those acquisitions by providing the information required under 49 C.F.R. § 1182.2, or (2) explain why Board authority was not required.¹ To reduce the administrative burden and expense associated with this order, Cline should supplement the Application with the requested information rather than initiating a new proceeding.

Cline will be directed to supplement the Application as discussed above. The Application will be deemed complete when Cline provides the requested information. See 49 C.F.R. § 1182.4(a).

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. Applicants are directed to file supplemental information as described in this decision.
2. This decision is effective on its service date.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.

¹ Applicants state that if the Board believes Cline was required to obtain Board authority for its acquisition of BSCI and Crown, the Board should “approve those acquisitions as of the date of this application or to exempt them as intra-corporate family transactions under [49 C.F.R. § 1182.9].” (Appl. 4 n.2.) However, the Board has stated that before granting after-the-fact authority it is important for the agency and the public to understand “the nature and consequences of the already-consummated transactions.” Regan, MCF 21123, slip op. at 5. Applicants have not yet provided the information necessary for that understanding regarding Cline’s acquisition of BSCI and Crown.