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**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

**ENTERED  
Office of Proceedings  
October 9, 2019  
Part of  
Public Record**

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**IN THE MATTER OF  
  
TRANSPORTATION DEMAND MANAGEMENT HOLDINGS, LLC  
  
-- ACQUISITION OF CONTROL --  
  
BADGER BUS TRANSPORTATION GROUP, INC.**

**STB DOCKET NO. MCF-21088**

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**VERIFIED APPLICATION UNDER 49 U.S.C. § 14303(a)  
FOR APPROVAL OF THE ACQUISITION OF CONTROL  
OF BADGER BUS TRANSPORTATION GROUP, INC.,  
BY TRANSPORTATION DEMAND MANAGEMENT HOLDINGS, LLC**

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Transportation Demand Management Holdings, LLC, a non-carrier ("Holdings"), respectfully submits this application under 49 U.S.C. § 14303 and Surface Transportation Board (the "Board") regulations at 49 C.F.R. Part 1182 (this "Application") for approval of the transaction more fully described herein (the "Contemplated Transaction"). The result of the Contemplated Transaction will be the direct acquisition of control by Holdings of Badger Bus Transportation Group, Inc. ("Badger Group"), which controls, among other entities, the regulated, interstate and intrastate passenger motor carrier, Badger Coaches, Inc. ("Badger Coaches"), from the shareholders of Badger Group: David H. Meier, John R. Meier, and James A. Meier, each, an individual (collectively, the "Individual Shareholders"), and various family trusts controlled by the Individual Shareholders (collectively, the "Trust Shareholders," and together with the Individual Shareholders, collectively, the "Sellers").

**FILED  
October 9, 2019  
SURFACE  
TRANSPORTATION BOARD**

**FEE RECEIVED  
October 9, 2019  
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**I. Parties of the Contemplated Transaction, Pertinent Operating Authorities, and USDOT Safety Fitness Ratings.**

**A. Purchaser: Holdings.** Holdings is a Texas limited liability company and is headquartered at 9801 Martin Luther King, Jr. Way South, Seattle, WA 98118. Holdings is not a motor carrier. The majority equity and voting membership interest in Holdings is owned and held by CVG Group, LLC, a Texas limited liability company (“CVG”), the membership interests of which are held evenly by Michael T. Gibson and Willard L. Jackson, each an individual U.S. citizen and resident of the state of Texas (the “CVG Members”). A non-controlling equity membership interest in Holdings is directly and indirectly held by Gladys Gillis, an individual U.S. citizen, resident of the state of Washington, and the Chief Executive Officer of Holdings (“Gillis”).

**B. Motor Carrier Affiliate of Holdings.** Holdings directly owns and controls Transportation Demand Management, LLC, a Washington limited liability company (“TDM”). TDM is an interstate and intrastate passenger motor carrier with its headquarters at 9801 Martin Luther King, Jr. Way South, Seattle, WA 98118. The USDOT Number assigned to TDM is 839132, and TDM currently has a USDOT Safety Rating of “Satisfactory.” TDM holds interstate motor carrier authority under Federal Motor Carrier Safety Administration (“FMCSA”) Docket No. MC-370695, and intrastate motor carrier authority in the state of Washington. TDM conducts its business under the assumed names of Starline Luxury Coaches, Wheatland Express, Starline Transportation, and A&A Motorcoach. TDM primarily provides interstate and intrastate charter passenger transportation and shuttle services in the western part of the state of Washington. In its operations, TDM utilizes approximately 99 passenger carrying vehicles and 119 drivers. Competition is keen among charter bus operators in Western Washington. Among TDM’s direct competitors are other charter operators such as MTR Western, Journey Lines, and SP Plus Transportation

Northwest. Other than Holdings' interest in TDM, neither CVG, the CVG Members, Gillis, nor Holdings is affiliated with any other passenger carrier that has interstate passenger motor carrier authority.

C. **Badger Group and Badger Group Subsidiaries.** Badger Group is a Wisconsin corporation and a non-carrier with its principal place of business at 5501 Femrite Drive, Madison, WI 53718. Badger Group is a holding company, holding all of the equity interests in the following entities (the "Badger Group Subsidiaries"):

1. **Badger Coach.** Badger Coach is a Wisconsin corporation with its principal place of business at 5501 Femrite Drive, Madison, WI 53718. Badger Coach operates primarily as a motor carrier providing interstate charter services in the state of Wisconsin and its surrounding area, and intrastate passenger line-run, shuttle and charter services in the state of Wisconsin. The USDOT Number assigned to Badger Coach is 46328, and Badger Coach has a "Satisfactory" USDOT Safety Rating. For purposes of its interstate passenger operations, Badger Coach holds interstate carrier operating authority under FMCSA Docket No. MC-106120. Badger Coach also holds intrastate passenger motor carrier authority in the state of Wisconsin. In providing its services, Badger Coach utilizes approximately 71 passenger vehicles and 96 drivers.

2. **Badger Bus Lines.** Badger Bus Lines, Inc., is a Wisconsin corporation ("Badger Bus") with its principal place of business at 5501 Femrite Drive, Madison, WI 53718. Badger Bus operates primarily as a motor carrier providing intrastate school student transportation and paratransit services in Madison, Wisconsin, its surrounding areas. Badger Bus holds intrastate passenger motor carrier authority in the state of Wisconsin and does not provide regulated interstate passenger motor carrier service. The USDOT Number assigned to Badger Bus is 46330. Badger Bus

has neither a USDOT Safety Rating nor FMCSA Docket Number. In providing its services, Badger Bus utilizes approximately 279 passenger vehicles and 244 drivers.

3.     **Badger Tour & Travel, LLC.** Badger Tour and Travel, LLC is a Wisconsin limited liability company (“Badger Tour”) with its principal place of business at 5501 Femrite Drive, Madison, WI 53718. Badger Tour is not a carrier and operates primarily as an arranger of tour and travel services. Badger Tour does not operate any passenger vehicles. Badger Tour has neither a USDOT Number, USDOT Safety Rating, nor FMCSA Docket Number.

4.     **Meier Truck Services, LLC.** Meier Truck Services, LLC, is a Wisconsin limited liability company (“Meier Truck”), with its principal place of business at 5501 Femrite Drive, Madison, WI 53718. Meier Truck provides heavy vehicle maintenance and repair services, and provides limited private passenger services on an intrastate only basis. The USDOT Number assigned to Meier Truck is 1703206. Meier Truck has neither a USDOT Safety Rating nor FMCSA Docket Number. In providing its services, Badger Bus utilizes one (1) commercial vehicle and four (4) drivers.

5.     **Meier Coach Leasing LLC.** Meier Coach Leasing LLC is a Wisconsin limited liability company (“Meier Leasing”), with its principal place of business at 5501 Femrite Drive, Madison, WI 53718. Meier Leasing provides vehicle leasing services and is not a carrier. Meier Leasing does not operate any passenger vehicles, and has neither a USDOT Number, USDOT Safety Rating, nor FMCSA Docket Number.

D.     **Affiliates of Badger Group.** Other than as set forth above, neither Badger Group nor the Badger Group Subsidiaries is affiliated with any other passenger carrier that has interstate passenger motor carrier authority.

E. **Sellers.** All the issued and outstanding equity stock of Badger Group is owned and held by the Sellers, all of whom are U.S. citizens and residents of the state of Wisconsin. None of the Sellers has any direct or indirect ownership interest in any interstate passenger motor carrier other than the indirect ownership interest in Badger Coaches as described hereinabove.

## II. **Description of the Contemplated Transaction.**

The event triggering Board jurisdiction is the contemplated acquisition of all the outstanding equity and voting stock of Badger Group by Holdings, the effect of which will be to place Badger Coaches under the control of Holdings. As such, the Board's jurisdiction is invoked pursuant to 49 U.S.C. § 14303(a)(5), as the Contemplated Transaction involves "acquisition of control of a carrier [*i.e.*, Badger Coaches] by a person that is not a carrier but that controls any number of carriers [*i.e.*, Holdings, with its current control of TDM]." It is contemplated that upon the closing of the Contemplated Transaction, the membership interests of Holdings will be held by CVG, Gillis and Sellers, with neither having control of Holdings.

We note that 49 U.S.C. § 14303(f) states, "a carrier or a corporation participating in or resulting from a transaction approved by the Board under this Section...may carry out the transaction, own and operate property, and exercise control or franchises acquired through the transaction without the approval of a State authority." Thus, the granting of this application by the Board will avoid the need for state or local approval.

## III. **Federally Regulated Carrier Affiliates.**

Other than TDM and Badger Coaches, there are no other affiliated carriers with regulated interstate operations involved in this application.

#### **IV. Jurisdictional Statement – Revenues.**

The Board has jurisdiction over this matter under 49 U.S.C. § 14303(g), because the annual aggregate gross operating revenues of TDM and Badger Coaches exceed \$2 million during the 12-month period immediately preceding the filing of this application.

#### **V. Environmental Impact.**

Approval of this application and consummation of the Contemplated Transaction are not expected to have a significant effect on the quality of the human environment and the conservation of energy resources.

#### **VI. Public Interest Considerations.**

##### **A. Adequacy of Transportation Services.**

1. **No Detrimental Impact.** The Contemplated Transaction is not expected to have a material, detrimental impact on the adequacy of transportation services available for the public. Holdings anticipates that services to the public will be improved as efficiencies are realized and capacity is added. For at least the foreseeable future, the services currently provided by Badger Coaches will continue to be provided by Badger Coaches under the same name used to provide such services prior to the Contemplated Transaction. Badger Coaches will continue to operate, but going forward, will be operating as a subsidiary of Holdings, an organization already thoroughly experienced in passenger transportation operations.

2. **Consistent with Current Practices in the Industry.** The addition of Badger Coaches to the operations currently conducted by Holdings (through its subsidiary, TDM) is consistent with existing practices within the passenger motor carrier industry of strong, well-managed transportation organizations adapting their corporate structure to operate several different passenger carriers within the same or similar services market, but in different geographic areas. As part of the

Contemplated Transaction, Holdings is bringing under its control Badger Coaches, which is experienced in some of the same market segments already served by Holdings' subsidiary, TDM. These market segments have their own service characteristics, and the Contemplated Transaction is expected to result in operating efficiencies and cost savings derived from economies of scale and increased purchasing power, all of which will help to ensure the provision of adequate service to the public.

3. **Enhanced Viability.** Adding Badger Coaches to the holdings of Holdings will serve to enhance the viability of Badger Coaches and Holdings (and its subsidiary, TDM). The continued viability of all the carriers assures the continued availability of adequate passenger transportation service for the public.

B. **Fixed Charges.** The Contemplated Transaction will increase fixed charges, in the form of interest expense, because funds will be borrowed to assist in the financing of the Contemplated Transaction. But such an increase will not impact the provision of transportation services to the public. The Board has approved transactions that use debt financing in the past, despite some increase to interest expense. *See, e.g., Variant Equity I, LP, and Project Kenwood Acquisition, LLC – Acquisition of Control – Coach USA Administration, Inc., and Coach USA, Inc.*, Board Docket No. 21084, at 4 (served February 15, 2019), and *Sureride Charter Inc. – Acquisition of Control – McClintock Enterprises, Inc., D/B/A Goldfield State & Co.*, Board Docket No. 21077, at 3 (served November 2, 2017).

C. **Employee Interests.** It is the current intention of Holdings that the existing operations of Badger Coaches will continue and as such the Contemplated Transaction will not have substantial impact on employees or labor conditions. Holdings does not anticipate a measurable reduction in force or changes in compensation levels and/or benefits at Badger

Coaches, although at some point staffing redundancies could potentially result in limited downsizing of back-office and/or managerial level personnel.

**D. Competition and the Public Interest.** The law requires the Board to assess competition in the market and the impact on the public interest as affected by approving an arrangement in which multiple passenger carriers are under control of a single entity. In making its analysis, the Board (as did its predecessor, the Interstate Commerce Commission) has consistently found that proposed “common control” arrangements (however accomplished) are inherently not anti-competitive. In large measure, that conclusion rests on the finding that because of low barriers to entry into the market, the passenger motor carrier industry is characterized by healthy intra-modal competition as well as healthy competition between bus service providers, on the one hand, and on the other, other modes of transportation, all of which constitute the “relevant market.” *GLI Acquisition Co – Purchase – Trailways Lines, Inc.*, 4 I.C.C. 2d 591, 598-602 (1988).

On the rare occasions in recent years in which the Board has been called upon to assess the “public interest” and “competition” issues inherent in the practice of the acquisition of ownership of numerous bus carriers by non-carrier entities, it has consistently approved applications of this sort, finding that acquisitions that contemplate the single control of numerous passenger carriers can result in better overall service for the public without any lessening of the benefits of healthy competition. Its decisions include *National Express LLC – Acquisition of Control – Free Enterprise System/Royal, LLC*, Board Docket No. MC-F-21085 (served March 29, 2019); *All Aboard Holdings, Inc. – Acquisition of Control – Lux Bus America Co.*, Board Docket No. MCF-21082 (served September 21, 2018); *Sureride Charter Inc. – Acquisition of Control – McClintock Enterprises, Inc. D/B/A Goldfield Stage & Company*, Board Docket No. MCF-21077, (served November 2, 2017); and *Silverado Stages*,

*Inc. – Acquisition of Control – Michelangelo Leasing, Inc. and Ryan’s Express Transportation Services, Inc.*, Board Docket No. MCF-21068 (served July 21, 2016).

Badger Coaches is a significant carrier in the market in which it provides services: regulated motor coach passenger line-run, shuttle and interstate charter services in the area of Madison and Southern Wisconsin (the “Service Area”); however, Badger Coaches competes directly with a number of other motor coach passenger line-run providers in the Service Area, such as Megabus, Greyhound, Lamers Bus Lines, and Jefferson Lines. There is also a very competitive market for shuttle and charter services within the Service Area due to the number of service providers, Lamers Bus Lines and Jefferson Lines being two of the larger providers. In addition, there are also several passenger transportation arrangers or brokers for charter and tour services that operate within the Service Area. Passenger motor coach line-run and charter providers are also in competition with scheduled rail transportation and a number of scheduled airlines within the Service Area. Lastly, Badger Coaches, as well all other transportation providers in the Service Area, compete with owned and rented automobile transportation.

The services offered by Badger Coaches are geographically dispersed from those of TDM, and there is no overlap in service areas and/or in customer bases between Badger Coaches and TDM. Considering the foregoing, the impact of the Contemplated Transaction on the regulated motor carrier industry will be minimal at most and that neither competition nor the public interest will be adversely affected.

Board approval of this application will allow the acquisition of control of the Badger Group to be accomplished without the approval of state regulatory authorities, thus relieving

the parties of the Contemplated Transaction from potentially burdensome regulatory requirements. *See* 49 U.S.C. § 14303(f).<sup>1</sup>

**VII. Insurance Certification.**

Each of the motor carriers that is subject to FMCSA insurance requirements and is involved in this application now satisfies and after Board approval will continue to satisfy FMCSA requirements relating to adequate security for the public. 49 U.S.C. § 13906. All the FMCSA approved passenger carriers have a minimum of \$5 million bodily injury and property damage insurance coverage on file with the FMCSA.

**VIII. Mexico Certification.**

Holdings certifies that it is not domiciled in Mexico, nor is it owned or controlled by persons of that country. Badger Coaches certifies that it is neither domiciled in Mexico, nor owned or controlled by persons of that country.

**IX. No Individuals Holding Operating Authority**

Pursuant to 49 C.F.R. § 1182.2(a)(11), the Contemplated Transaction does not involve the transfer of operating authority to an individual who will hold the authority in his or her name.

**X. Exempt Transaction under Federal Premerger Notification Laws**

Pursuant to 15 U.S.C. § 18a(c)(6), this application and copies of all other information and documentary material filed with the Board in connection with the Contemplated Transaction are being filed with the United States Federal Trade Commission and the

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<sup>1</sup> 49 U.S.C. § 14303(f) provides that “A carrier or corporation participating in or resulting from a transaction approved by the [Surface Transportation] Board under this section, or exempted by the Board from the application of this section pursuant to section 13541, may carry out the transaction, own and operate property, and exercise control or franchises acquired through the transaction without the approval of a State authority. A carrier, corporation, or person participating in the approved or exempted transaction is exempt from the antitrust laws and from all other law, including State and municipal law, as necessary to let that person carry out the transaction, hold, maintain, and operate property, and exercise control or franchises acquired through the transaction.”

Antitrust Division of the United States Department of Justice in keeping with the Contemplated Transaction's status under the regulated-industry provisions of that statute.

**XI. Conclusion.**

As provided by 49 C.F.R. Part 1182 and for the reasons set forth herein, the Board is respectfully requested to approve this application and authorize the Contemplated Transaction and acquisition of control as described herein.

**XII. Verification.**

The verifications of Holdings, and Badger Group, Badger Coaches and the Individual Shareholders are as follow:

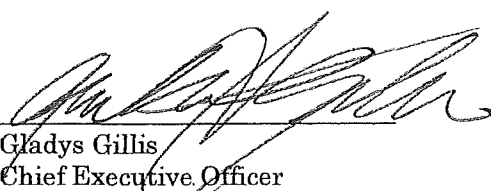
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A. **Verification of Holdings.** The undersigned verifies under penalty of perjury under the laws of the United States of America, that all information supplied by such person on behalf of and limited to Holdings in connection with this application is true and correct. Further, the undersigned is qualified and authorized on behalf of Holdings to submit this verification and file this application. The undersigned further certifies under penalty of perjury under the laws of the United States, that the undersigned knows that willful misrepresentations or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. § 1001 by imprisonment up to five years and fines up to \$10,000 for each offense. Additionally, these misstatements are punishable under 18 U.S.C. § 1621, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.

“Holdings”

Transportation Demand Management  
Holdings, LLC

Dated: October 2, 2019

By: 

Gladys Gillis  
Chief Executive Officer

**B. Verification of Badger Group, Badger Coaches, and the Individual Shareholders.** Each of the undersigned verifies under penalty of perjury under the laws of the United States of America, that all information supplied by such person on behalf of and limited to Badger Group, Badger Coaches, and the Sellers in connection with this application is true and correct. Further, each of the undersigned with respect to Badger Group and Badger Coaches is qualified and authorized on behalf of Badger Group and Badger Coaches, as applicable, to submit this verification and authorize the filing of this Application. In addition, each of the undersigned Individual Shareholders authorizes the filing of this Application. Each of the undersigned further certifies under penalty of perjury under the laws of the United States, that such undersigned knows that willful misrepresentations or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. § 1001 by imprisonment up to five years and fines up to \$10,000 for each offense. Additionally, these misstatements are punishable under 18 U.S.C. § 1621, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.

“Badger Group”

Badger Bus Transportation Group, Inc.

Dated: October 9, 2019

By: David H. Meier  
David H. Meier  
Executive Vice President

“Badger Coach”

Badger Coaches, Inc.

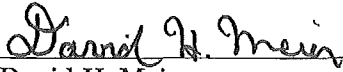
Dated: October 9, 2019

By: David H. Meier  
David H. Meier  
Executive Vice President

[Signatures continue on the following page]

"Individual Shareholders"

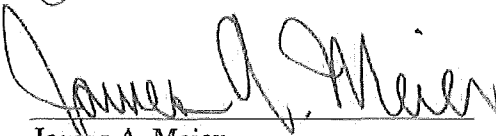
Dated: October 9, 2019

  
David H. Meier

Dated: October 9, 2019

  
John R. Meier

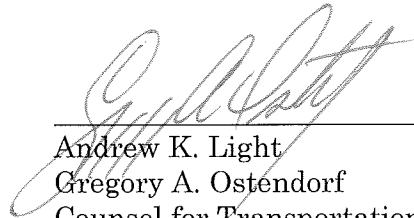
Dated: October 9, 2019

  
James A. Meier

**XIII. Applicant Holdings' Legal Counsel**

Andrew K. Light  
Gregory A. Ostendorf  
Scopelitis, Garvin, Light, Hanson & Feary, P.C.  
10 W. Market Street, Suite 1400  
Indianapolis, IN 46204  
(317) 637-1777

Respectfully,

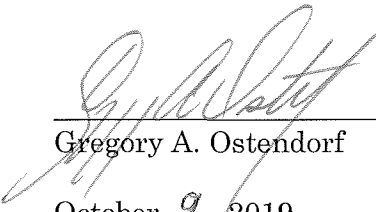


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Andrew K. Light  
Gregory A. Ostendorf  
Counsel for Transportation Demand  
Management Holdings, LLC

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., 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 U.S. first-class mail 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  
October 9, 2019