

demonstrate how the Board might identify, and to the extent practicable quantify, specific benefits, costs, and transfer payments. The Board seeks specific methods directly applicable to regulatory issues within the Board's jurisdiction, including the economic regulation of freight railroads. To the extent that commenters reference studies, analyses, or other sources covering other types of regulation or industries, the Board requests that commenters describe in detail the application of the methods to the economic regulation of railroads. Such methods should account for the differences between rules that establish the processes under which administrative litigation takes place and other types of rules that prescribe a particular action or technology without such processes.

2. *Data.* The Board seeks suggestions regarding specific data that the Board collects or could collect to assist with cost-benefit analysis. Commenters may wish to describe potential uses of the Board's established data collections, such as the Waybill Sample or the reports submitted by Class I carriers, or potential changes to those collections, that would help facilitate or inform cost-benefit analysis. Commenters may also wish to describe new or additional data that the Board might start to collect and analyze, and suggest procedures for doing so, to assist in cost-benefit analysis.

3. *Application.* The Board seeks a detailed description of how cost-benefit analysis would apply to a hypothetical rulemaking, using the methods and data sources identified in response to items 1 and 2 above. Specifically, the Board suggests that commenters consider a hypothetical proposed rule to modify the revenue-variable cost (R/VC) percentage used for purposes of market dominance from 180% to 165%. For purposes of this hypothetical, commenters should assume the Board has the authority to modify 49 U.S.C. 10707(d)(1)(A) and should not address the statutory constraint in their comments.⁴ To the extent practicable, the comments should provide a detailed example of how the Board would conduct a cost-benefit analysis of this hypothetical proposed rule utilizing appropriate methods and data sources.

4. *Threshold.* The Board requests information on the threshold for

determining the rulemaking proceedings to which any cost-benefit analysis procedures should apply. Commenters may wish to identify qualitatively or quantitatively a category or categories of rules.

Again, the Board expects to take responses to this solicitation into consideration in connection with its decision on AAR's petition to institute a rulemaking, which the Board is not denying or granting at this time. The requested information will be helpful to the Board's continued consideration of the issues raised in AAR's petition to institute a rulemaking. This decision is consistent with AAR's suggestion that the Board move forward with a "transparent process that allows for relevant input from all interested stakeholders" and to "open the issue for public comment." (Pet. for Recons. 2–3.)

Comments addressing the information requests described above will be due by January 17, 2020. Replies will be due by March 6, 2020.

Board decisions and notices are available at www.stb.gov.

It is ordered:

1. Comments as described above are due by January 17, 2020.
2. Replies are due by March 6, 2020.
3. AAR's petition for reconsideration of the July 10 decision is denied as moot.
4. This decision is effective on its date of service.

By the Board, Board Members Begeman, Fuchs, and Oberman.

Decided: November 4, 2019.

Jeffrey Herzig,

Clearance Clerk.

[FR Doc. 2019–24436 Filed 11–7–19; 8:45 am]

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SURFACE TRANSPORTATION BOARD

[Docket No. MCF 21088]

Transportation Demand Management Holdings, LLC—Acquisition of Control—Badger Bus Transportation Group, Inc.

AGENCY: Surface Transportation Board.

ACTION: Notice tentatively approving and authorizing finance transaction.

SUMMARY: On October 9, 2019, Transportation Demand Management Holdings, LLC (Holdings), a noncarrier, filed an application for Holdings to acquire control of Badger Bus Transportation Group, Inc. (Badger Group), a noncarrier that controls, among other entities, an interstate and intrastate motor carrier, Badger Coaches, Inc. (Badger Coaches), from Badger

Group's shareholders, David H. Meier, John R. Meier, and James A. Meier, and the various family trusts they control (collectively, Sellers). The Board is tentatively approving and authorizing the transaction, and, if no opposing comments are timely filed, this notice will be the final Board action. Persons wishing to oppose the application must follow the rules at 49 CFR 1182.5 and 1182.8.

DATES: Comments may be filed by December 23, 2019. If any comments are filed, Holdings may file a reply by January 7, 2020. If no opposing comments are filed by December 23, 2019, this notice shall be effective on December 24, 2019.

ADDRESSES: Comments may be filed with the Board either via e-filing or in writing addressed to: Surface Transportation Board, 395 E Street SW, Washington, DC 20423–0001. In addition, send one copy of comments to: Andrew K. Light, Scopelitis, Garvin, Light, Hanson & Feary, P.C., 10 W Market Street, Suite 1400, Indianapolis, IN 46204.

FOR FURTHER INFORMATION CONTACT: Sarah Fancher at (202) 245–0355.

Assistance for the hearing impaired is available through the Federal Relay Service at (800) 877–8339.

SUPPLEMENTARY INFORMATION: According to the application, Holdings, which is organized under the laws of Texas, directly owns and controls Transportation Demand Management, LLC (TDM), which is organized under the laws of Washington. (Appl. 2.) TDM is a passenger motor carrier that holds interstate motor carrier authority, as well as intrastate motor carrier authority in Washington. (*Id.*) TDM conducts business as Starline Luxury Coaches, Wheatland Express, Starline Transportation, and A&A Motorcoach, and utilizes approximately 99 passenger-carrying vehicles and 119 drivers. (*Id.*)

The majority equity and voting membership interest in Holdings is owned and held by CVG Group, LLC (CVG), which is organized under the laws of Texas. (*Id.*) The membership interests of CVG are held evenly by Michael T. Gibson and Willard L. Jackson. (*Id.*) A noncontrolling equity membership interest in Holdings is directly and indirectly held by Gladys Gillis, the chief executive officer of Holdings. (*Id.*) Holdings states that TDM is the only interstate passenger motor carrier with which CVG, Holdings, Gibson, Jackson, and Gillis are affiliated. (*Id.* at 3.)

Holdings states that the purpose of the transaction is to acquire control of

⁴ By suggesting this hypothetical proposed rule, the Board does not intend to convey any view on the statutory R/VC percentage, which the Board lacks authority to modify. The hypothetical was selected to provide commenters a common example with which to apply their views and suggestions on methods and data sources.

Badger Group, a Wisconsin corporation that holds all equity interests in Badger Coaches,¹ which operates primarily as a motor carrier providing interstate charter services in Wisconsin and its surrounding areas, as well as intrastate passenger line run, shuttle, and charter services in Wisconsin. (*Id.* at 1, 3.) Badger Coaches holds interstate, and Wisconsin intrastate, passenger motor carrier authority. Badger Coaches utilizes approximately 71 passenger vehicles and 96 drivers.² (*Id.* at 3.)

Holdings represents that Sellers own all the issued and outstanding equity stock of Badger Group. (*Id.* at 5.) Holdings also states that Sellers do not have any direct or indirect ownership interest in any interstate passenger motor carrier other than Badger Coaches as described above. (*Id.*)

Holdings represents that, through this transaction, it will acquire all of the outstanding equity and voting stock of Badger Group, which will place Badger Coaches under Holdings' control. (*Id.*)

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 that result, and (3) the interest of affected carrier employees. Holdings has submitted the information required by 49 CFR 1182.2, including information to demonstrate 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 TDM and Badger Coaches exceeded \$2 million during the 12-month period immediately preceding the filing of the application, *see* 49 CFR 1182.2(a)(5).

Holdings states that it does not expect the proposed transaction to have a material, detrimental impact on the adequacy of transportation services available to the public. (Appl. 6.) Holdings anticipates that services to the public will be improved as efficiencies are realized and capacity is added. (*Id.*) Holdings states that for the foreseeable future, Badger Coaches will continue to

provide the same services it currently provides under the same name, but will operate as a subsidiary of Holdings, which is experienced in passenger transportation operations. (*Id.*) Holdings explains that Badger Coaches is experienced in some of the same market segments already served by Holdings' subsidiary, TDM. (*Id.* at 6–7.) Thus, the 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 ensure the provision of adequate service to the public. (*Id.* at 7.) Holdings also asserts that its acquisition of control of Badger Coaches will enhance the viability of Badger Coaches, Holdings, and TDM, which will in turn ensure the continued availability of adequate passenger transportation service for the public. (*Id.*)

Holdings claims that neither competition nor the public interest will be adversely affected by the proposed transaction. (*Id.* at 9.) Holdings explains that the market is competitive for motor coach passenger line-run, shuttle, and interstate charter services in Madison, Wis., and Southern Wisconsin (the Service Area). (*Id.*) Holdings states that Badger Coaches competes directly with other motor coach passenger line-run providers in the Service Area, including Megabus, Greyhound, Lamers Bus Lines, and Jefferson Lines. (*Id.*) Holdings notes that Lamers Bus Lines and Jefferson Lines, among others, also provide shuttle and charter services in the Service Area. (*Id.*) Holdings states that passenger transportation arrangers for charter and tour services, as well as rail transportation, air transportation, and automobiles, provide further competition in the Service Area. (*Id.*) Holdings affirms that the services offered by Badger Coaches are geographically “dispersed” from those offered by TDM, and there is no overlap in the service areas and customer bases between Badger Coaches and TDM. (*Id.*) TDM operates in Washington and elsewhere, and Badger Coaches operates in Wisconsin and its surrounding area. (*Id.* at 2–3.)

Holdings states that the proposed transaction will increase fixed charges in the form of interest expenses because funds will be borrowed to assist in financing the transaction; however, Holdings maintains that the increase will not impact the provision of transportation services to the public. (*Id.* at 7.) Holdings also asserts that it does not expect the transaction to have substantial impacts on employees or labor conditions, and it does not anticipate a measurable reduction in force or changes in compensation levels

or benefits at Badger Coaches. (*Id.* at 7–8.) Holdings submits, however, that staffing redundancies could result in limited downsizing of back-office or managerial-level personnel. (*Id.* at 8.)

The Board finds that the acquisition as proposed in the application is consistent with the public interest and should be tentatively approved and authorized. 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 expiration of the comment period, this notice will take effect automatically and will be the final Board action.

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 transaction is approved and authorized, subject to the filing of opposing comments.

2. If opposing comments are timely filed, the findings made in this notice will be deemed vacated.

3. This notice will be effective December 24, 2019, unless opposing comments are filed by December 23, 2019.

4. 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 SE, Washington, DC 20590; (2) the U.S. Department of Justice, Antitrust Division, 10th Street & Pennsylvania Avenue NW, Washington, DC 20530; and (3) the U.S. Department of Transportation, Office of the General Counsel, 1200 New Jersey Avenue SE, Washington, DC 20590.

Decided: October 31, 2019.

By the Board, Board Members Begeman, Fuchs, and Oberman.

Regena Smith-Bernard,
Clearance Clerk.

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SURFACE TRANSPORTATION BOARD

[Docket No. FD 36347]

Bessemer and Lake Erie Railroad Company—Acquisition and Operation—Certain Rail Lines of CSX Transportation, Inc. in Onondaga, Oswego, Jefferson, Saint Lawrence, and Franklin Counties, NY

AGENCY: Surface Transportation Board.

¹ Additional information about Badger Coaches (also referred to in the application as Badger Coach) and TDM, including U.S. Department of Transportation (USDOT) numbers, motor carrier numbers, and USDOT safety fitness ratings, can be found in the application. (*See* Appl. 2–4.)

² Holdings states that Badger Group also holds all of the equity interests in Wisconsin intrastate passenger carriers Badger Bus Lines, Inc., and Meier Truck Services, LLC, and in noncarriers Badger Tour & Travel, LLC, and Meier Coach Leasing. (*Id.* at 3–4.)