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VIA FEDERAL EXPRESS

Donald S. Clark
Office of Secretary
Room H-1-5 (Annex D)
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, D.C. 20580

RE: In the Matter of Pilot Corporation, Propeller Corp., and Flying J, Inc., NTC File No. 091-0125- Comment on Proposed Consent Order

Dear Secretary Clark:

Professional Transportation Partners, LLC, a Tennessee limited liability company ("PTP") hereby submits the following comments setting forth its concerns with and in opposition to the proposed Consent Agreement and Order which has been issued by the Commission allowing Pilot Corporation and Propeller Corp. (collectively "Pilot") to acquire all of the assets and other interests of Flying J Inc.'s travel center and related businesses (the "Acquisition"). This Acquisition will give Pilot a combined 585 truck stop/travel center locations making it the most dominant truck stop/travel center operation in the United States. As part of its Comment set forth herein, PTP hereby joins in and incorporates the same concerns, comments and requests for action as contained in the separate Comment Letter being contemporaneously filed with the Commission by AMBEST, Inc. as if stated herein.

PTP provides its members (independent truck stops and travel centers as well as trucking industry professionals) with various programs that assist them in marketing their locations, products, and services to local, regional and national trucking fleets and companies doing business in the contiguous United States. At present, PTP has eighty-five (85) truck stops operating within its diesel fuel network and seventy-five (75) truck stops in its maintenance network (providing truck repair, inspection, tire sales and repair, emergency road service and preventive maintenance services). Many of these locations provide significant other amenities as well, including restaurants, showers and game rooms. PTP also offers its members a rewards program for in-store merchandising, branding and advertising. Its member locations are located throughout the contiguous United States. PTP conducts an extensive marketing program with numerous trucking companies by offering their drivers discounts on fuel prices at PTP member locations as well as participation in the PTP rewards program.

PTP members will be directly impacted by the proposed Consent Order in that overall competition in the industry will be significantly lessened by allowing Pilot to acquire Flying J Inc.'s travel centers and allowing Pilot to exercise market power unilaterally. The Consent Order does not address the impact that the Acquisition will have on various independent, regional or other national chains operating and providing services at truck stop/travel center locations throughout the United States. The Commission's proposed Consent Order requiring the divesture of twenty-six (26) travel center facilities to Love's in markets in which Pilot has and will continue to have a significant or dominant market presence does not address the anticompetitive impact that this Acquisition will have on numerous other independent, regional and national chains, including PTP and its members.

Simply put, in the truck stop/travel center market the number and location of facilities, the ease of access to those facilities and their size (in terms of number of fuel lanes and parking spaces, amenities for drivers, communication and internet services) dictates market control and competitive strength. The number of truck stop/travel centers that Pilot/Flying J will control, directly or indirectly, following this Acquisition combined with Pilot's ability to negotiate favorable diesel fuel prices for their facilities and discounts for trucking fleets (both national and regional) effectively provides Pilot with significant market power that will remain unchecked. Pilot/Flying J's opportunity to control the truck stop/travel center industry and diesel fuel pricing (and fuel card transaction fee costs through the TCH Fuel Card System) will result in a significant decline in the number of independent operators as well as have a material adverse impact on other independent, regional and national operators' ability to effectively compete with Pilot in the travel center or diesel fuel markets. The Commission has already concluded that "de novo entry or fringe expansion into the relevant market is unlikely to deter or counteract the likely anticompetitive effects of this acquisition". While PTP concurs with the Commission's conclusion, it would respectfully request that the Commission focus on the more important issue: how to prevent Pilot from exercising its increased market power unilaterally against the existing competitors, including PTP and its members.

Subsequent to this Acquisition, Pilot will be in a unique position to negotiate significantly better diesel fuel prices (or discounts) for trucking fleets than any of the independent operators in the United States, including PTP and its members. Generally, due to their locations our members have long-term contractual commitments with local jobbers to supply diesel fuel to their locations. Their ability to negotiate pricing is limited to their size, fuel usage and location.

As detailed in AMBEST's Comment Response, Pilot has already embarked on a new licensing program by using Pilot's so-called Dealer Program, Equipment Lease and Thru-Put Agreements, with other truck stops/travel centers in (a) the existing markets where they currently have a presence, (b) in the markets where they were forced by the Commission to divest the locations that gave them a dominant market share, and (c) in new markets where other independent truck stops and travel centers have historically operated. Under these new leasing/licensing agreements, Pilot will provide fuel and other programs to the independent operators, relieving them of the necessity to manage their diesel fuel business while securing for those operators their net profit (through lease payments based on their previous history) from sales of diesel fuel in those locations. The operators will be required to permit Pilot to install Pilot's or Flying J's fuel pumps, POS systems and Pilot or Flying J branding signage. These operators, however, will otherwise maintain the physical operation and maintenance of their truck stop's and/or travel center's business. By joining this Pilot program, the operators will be relieved from the necessity of negotiating and obtaining delivery of diesel fuel for their truck stop or travel center and are able to concentrate their efforts on providing restaurants, goods and other amenities to the truckers who use their facilities (with a corresponding split of revenue with Pilot, incidentally). Pilot's use of this licensing/leasing program combined with the control and ownership of the TCH Fuel Card System as discussed below will significantly and adversely affect competition in the industry.

To PTP's knowledge, Pilot has already entered into a number of agreements with independent truck stops/travel centers affiliated with other competitors in a coordinated effort to replace the travel centers Pilot was forced to divest to Love's as part of the Commission's Consent Order and are currently negotiating such agreements with numerous other truck stop and travel center operators in other key markets throughout the country. This program does not require any disclosure to the Commission under the proposed Consent Agreement and significantly reduces Pilot's cost of acquisition or expansion in the travel center industry. Pilot's ability to negotiate diesel fuel pricing in the short term will effectively assist them in eliminating competition with independent truck stops and travel centers, including PTP and it members. The small to medium size independent operators and companies comparable in size and operation with PTP will not be able to compete with the new Pilot/Flying J, resulting in Pilot's de facto monopoly within a few years. It is our understanding that a competitor of PTP has already entered into a licensing agreement with Pilot with respect to certain of its locations and has converted those locations to either a Pilot or Flying J location. Interestingly, Pilot initiated this new licensing program shortly before the issuance of the Commission's proposed Consent Agreement and Order and is currently being marketed in many key locations throughout the U.S. as well as in those markets where the Love's divestitures were made.

With the acquisition of the Transportation Clearing House Fuel Card ("TCH Card") payment system from Flying J, Pilot will be in the unique position to use the fuel card system to the detriment of PTP as well as other independent and regional truck stops/travel centers as clearly noted in the AMBEST Comment Response. This is extremely important to independent truck stops and travel centers whose profitability and survival are dependent on low or flat fuel card transaction fees, like PTP and its member organizations.

Currently most independent truck stop/travel center operators are charged a percentage-based transaction fee by Comdata, the largest fuel card provider in the industry, resulting in variable transaction costs generally ranging between $2 and $8 per transaction. We understand that Pilot intends to implement a similar percentage based fee structure for the TCH Fuel Card, however, providing a discriminatory lower (fixed or flat) transaction fee for truckers who use it at Pilot or Flying J facilities. With this advantage, Pilot will effectively drive the independent regional and small national truck stop/travel center operators out of business. Therefore, it is imperative that any fee structure charged for the use of a fuel card transaction using the TCH Fuel Card be uniform and non-discriminatory (whether a driver is at a Pilot or Flying J location or at any other location that accepts the TCH Card).

As noted in the AMBEST Comment Response and due to the structure of these new licensing/leasing transactions, as well as the limited capital expenditures required by Pilot to increase its market share through new dealer locations, PTP believes that few, if any, of these transactions would exceed the Hart-Scott-Rodino ("HSR") reporting threshold. As such, it is imperative that for a period of up to ten (10) years, any such acquisition or consolidation (whether by purchase, lease, license, affiliation, franchise or otherwise) by Pilot/Flying J should require the Commissioner's prior approval. In addition, PTP would also request that the Commission require that any transaction fees for the use of TCH Fuel Card be uniform or nondiscriminatory for all users whether at a Pilot or Flying J facility or at any other facility that accepts the TCH card. Finally, we would also request that the Commission extend the firewall protocols and protections provided for in the Consent Order to and for the benefit of any and all operators that accept and utilize the TCH Card, not just for Love's.

We very much appreciate your consideration of these comments and the requests they contain. If you have any questions, please do not hesitate to contact me.

Very truly yours,

Daniel C. Paulus
Michael P. Dolan

Counsel for Professional Transportation Partners, LLC

DCP:tc

cc: Jon Leibowitz, Chairman
William E. Kovacic, Commissioner
J. Thomas Rosch, Commissioner
Edith Ramirez, Commissioner
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Mary Lehner, Esq.

Burt C. Newman, President - PTP