

post-gazette **NOW**
Pittsburgh Post-Gazette

Business

CEO says taxi company's sale will boost service

Tuesday, May 06, 2008

By Bill Toland, Pittsburgh Post-Gazette

Pittsburgh Transportation Group and its Yellow Cab Co. are changing hands again, and the chief executive officer says the company's recent acquisition by a major international operator will allow for faster deployment of new technologies, improving safety for drivers and the riding experience for customers.

"Our ability to respond to the market is going to be much faster," said Jamie Campolongo.

Pittsburgh Transportation -- which operates Yellow Cab, Peoples Cab, Checker Cab and various limousine and shuttle services, making it the city's largest privately held transportation group -- agreed to terms with Paris-based Veolia Transportation in January.

This week is the deadline for rivals to file a formal protest of the deal with the Pennsylvania Utility Commission. (The last time the company changed hands, limo company Pegasus Transportation Holdings protested the sale.)

By the end of the month, if all goes well, the PUC should approve the sale of Pittsburgh Transportation, which runs a fleet of more than 600 vehicles, according to a press release, and employs 300, not including 450 independent contractor drivers.

Mr. Campolongo signed a deal to remain with the company for another five years, taking on more of a national role with Veolia. He has been with Pittsburgh Transportation since 1991; in 2003, Mr. Campolongo bought the company and its well-known Yellow Cab brand from Stagecoach Group PLC, itself a Scottish conglomerate.

Terms of this deal weren't revealed, but the 2003 purchase was valued at \$5 million. In 2006, Pittsburgh Transportation had revenues of \$24 million.

Mr. Campolongo said Veolia, which operates rail and shuttle services throughout the United States and in Canada, began discussing the deal a year ago. Veolia, which entered the North American market just seven years ago, is now the largest private transportation provider in the United States, snapping up contracts and companies to the tune of \$900 million in revenues in 2006.

The weak American dollar played a role in this deal, as it has in many foreign investments here -- the strong euro makes the investment attractive to foreign companies, and allows the American seller to receive a larger final sales figure.

"That probably was a key factor for them," Mr. Campolongo said. "The euro moved a lot during [this] transaction." Soaring domestic gas prices, too, were a factor in selling the company.

CEO says taxi company's sale will boost service

The CEO said that in addition to technological upgrades -- better satellite tracking and routing, cameras in all of the cabs -- Veolia may also bring its SuperShuttle brand to Pittsburgh, a service that takes people from their homes to the local airport.

Bill Toland can be reached at btoland@post-gazette.com or 412-263-2625.

First published on May 6, 2008 at 12:00 am