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SERVICE DATE – SEPTEMBER 18, 2009

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. MC-F-21035

STAGECOACH GROUP PLC AND COACH USA, INC., ET AL.—
ACQUISITION OF CONTROL—TWIN AMERICA, LLC

AGENCY: Surface Transportation Board.

ACTION: Notice of Finance Application.

SUMMARY: On August 19, 2009, Stagecoach Group PLC (Stagecoach), a noncarrier, its noncarrier intermediate subsidiaries (Stagecoach Transport Holdings plc, SCUSI Ltd., Coach USA Administration, Inc.), Coach USA, Inc. (Coach USA), International Bus Services (IBS), a motor passenger carrier (MC-155937) controlled by Coach USA, City Sights Twin, LLC (City Sights Twin), a noncarrier, and Mr. Zev Marmurstein (collectively, Applicants), filed an application under 49 U.S.C. 14303 to acquire control of Twin America, LLC (Twin America) when it becomes a carrier.¹ Applicants advised the Board that the New York State Attorney General's office served subpoenas duces tecum on Gray Line New York Tours, Inc., Gray Line Twin, LLC, CitySights LLC, City Sights New York LLC, City Sights Daily LLC, and Twin America inquiring into the operation of those entities, the formation of Twin America, and related matters. On August 26, 2009, the New York State Attorney General filed a notice of intent to participate as a party of record. A copy of this notice will be served on the New York State Attorney General. Persons wishing to oppose this application must follow the rules at 49 CFR 1182.5 and 1182.8.

DATES: Comments must be filed by November 2, 2009. Applicants may file a reply by November 17, 2009.

ADDRESSES: Send an original and 10 copies of any comments referring to STB Docket No. MC-F-21035 to: Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, send one copy of comments to Applicants' representative: David H. Coburn, Steptoe & Johnson LLP, 1330 Connecticut Ave., N.W., Washington DC 20036.

FOR FURTHER INFORMATION CONTACT: Julia Farr (202) 245-0359 [Federal Information Relay (FIRS) for the hearing impaired: 1-800-877-8339].

¹ Twin America is in the process of applying with the Federal Motor Carrier Safety Administration (FMCSA) to be a registered motor passenger carrier. It holds USDOT number 1924173 and has been assigned docket number MC-688284 by FMCSA.

SUPPLEMENTARY INFORMATION: Stagecoach is a public limited corporation organized under the laws of Scotland. Coach USA is a Delaware corporation that controls numerous motor passenger carriers. Mr. Zev Marmurstein is the sole member and owner of City Sights Twin, a noncarrier formed for the purpose of owning an interest in Twin America.

In March 2009, City Sights Twin and IBS formed Twin America. Twin America was formed because Applicants recognized that IBS and City Sights LLC, the previous operator of transportation services now provided by City Sights Twin, were experiencing declining revenues due to the challenging economic environment. The companies have determined that combining their assets under common management would provide cost savings. According to Applicants, Twin America currently operates motor carrier tourism transportation services in New York City as well as transportation to destinations outside the state of New York. Specifically, Twin America transports passengers from hotels in New Jersey to New York City and “conducts occasional interstate charter operations with its own vehicles between the New York City area and other states.” Additionally, Applicants state that Twin America is involved in transportation arrangements with other carriers to provide interstate travel between the New York City area and other states.

Applicants have submitted the information required by 49 CFR 1182.2,² and submitted a statement that the 12-month aggregate gross operating revenues of the carrier applicants exceed the \$2 million jurisdictional threshold of 49 U.S.C. 14303(g). Applicants state that the proposed transaction will not affect the adequacy of transportation services available to the public because the charter/tour bus segment is competitive, the proposed transaction will not adversely impact competition, and this agency’s prior finding regarding low entry barriers in this segment continues to be accurate. Applicants also state that the proposed transaction will not adversely impact fixed charges because it will not have an adverse impact on the level of debt held by Twin America or on the ability of Twin America to repay that debt, and that the employees of Twin America, other than a small number of administrative employees, will not be adversely affected.

As discussed above, Applicants state that they are currently providing various transportation services in interstate commerce. Applicants, however, do not provide specific information detailing the authority under which these interstate services operate. We note also that the New York State Attorney General has served subpoenas duces tecum on Twin America and several other entities, inquiring into the operation of those entities, the formation of Twin America, and related matters, and has asked to participate as a party of record in this proceeding. For these reasons, we will not grant tentative authority under 49 CFR 1182.4(b). Instead, we will institute a proceeding to address these matters as well as determine the merits of the application pursuant to 49 U.S.C. 14303. Comments and responses are to be submitted as ordered below. See 49 CFR 1182.5 and 1182.6.

Board decisions and notices are available on our website at “WWW.STB.DOT.GOV.”

² By pleading filed on September 14, 2009, Applicants supplemented their original filing by including the FMCSA safety ratings as required by 49 CFR 1182.2(8).

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

It is ordered:

1. Comments must be filed by November 2, 2009. Applicants may file a reply by November 17, 2009.

2. This notice will be effective on date of service.

3. A copy of this decision will be served on: (1) the U.S. Department of Transportation, Federal Motor Carrier Safety Administration, 1200 New Jersey Avenue, S.E., Washington, DC 20590; (2) the U.S. Department of Justice, Antitrust Division, 950 Pennsylvania Avenue, N.W., Washington, DC 20530; (3) the U.S. Department of Transportation, Office of the General Counsel, 1200 New Jersey Avenue, S.E., Washington, DC 20590; and (4) the New York State Office of the Attorney General, The Capitol, Albany, NY 12224-0341.

Decided: September 15, 2009.

By the Board, Chairman Elliott, Vice Chairman Nottingham, and Commissioner Mulvey.

Anne K. Quinlan
Acting Secretary