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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB DOCKET NO. MC-F-21035

**STAGECOACH GROUP PLC AND COACH USA, INC., et al.
– ACQUISITION OF CONTROL – TWIN AMERICA LLC**

APPLICANTS' COMPLIANCE REPORT

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Administration, Inc.; Coach USA, Inc.;
International Bus Services, Inc.;
CitySights Twin, LLC; Zev Marmurstein;
and Twin America, LLC*

February 8, 2012

Applicants¹ hereby submit this Compliance Report in response to the Board's order served February 8, 2011, affirmed on reconsideration by order served January 11, 2012, requiring the submission of "a report detailing the steps they will take to comply" with the Board's February 8, 2011, order. That order provided two alternative remedies that Applicants could implement in response to the Board's decision denying approval of their control application, *i.e.*, (1) unwind their Twin America, LLC joint venture and completely separate the business, management and assets contributed to form the joint venture by other Applicants; or (2) discontinue or spin off Twin America's interstate motorcoach services, the existence of which triggered Board jurisdiction over the control application at issue in this proceeding.²

Applicants have decided to pursue the latter course, namely, Twin America will discontinue its interstate motorcoach services, which consist of certain interstate charter services. Accordingly, Twin America will surrender its FMCSA-issued motor carrier operating authority under which it provides interstate charter services. The interstate services will instead be provided by a different motor carrier or motor carriers, possibly including a carrier owned by

¹ The Applicants in this proceeding are Stagecoach Group plc; Stagecoach Transport Holdings plc; SCUSI Ltd.; Coach USA Administration, Inc.; Coach USA, Inc.; International Bus Services, Inc.; CitySights Twin, LLC; Zev Marmurstein and Twin America, LLC.

² The Board's authority over control transactions involving motor passenger carriers derives from Section 14303(a) of the Interstate Commerce Act, 49 U.S.C. § 14303(a), which provides as relevant that the "[a]cquisition of control of a carrier by any number of carriers" or the "[c]onsolidation or merger of the properties or franchises of at least 2 carriers into one operation for the ownership, management, and operation of the previously separately owned properties" or the "acquisition of control of a carrier by a person that is not a carrier but that controls any number of carriers" can be accomplished only with Board approval. These provisions apply, however, only with respect to transactions involving motor carriers of passengers "subject to jurisdiction under subchapter I of chapter 135." Section 13501 of the Act, 49 U.S.C. § 13501, defines that jurisdiction to make clear that it only applies to motor carriers that are engaged in interstate commerce.

Applicant Zev Marmurstein. Twin America will neither have any role in the operation or control of these interstate charter services nor share in any of the operating revenues generated by them.

The interstate charters will not be operated under the brand name of either Twin America, Gray Line or CitySights. Twin America, however, plans to market these interstate charter services through its advertising efforts directed toward tourists and others that use its intra-state sightseeing services. Twin America would receive a commission for such marketing from the carrier providing the services. In any such marketing efforts, Twin America will make clear that the charter services will be provided by another motor carrier and not by Twin America. In this connection, Twin America will operate in a role that is the functional equivalent of a broker or marketing agent, and not as an interstate motor carrier subject to Board jurisdiction.

The motorcoaches currently used by Twin America to provide the interstate charter services (which were contributed to the joint venture at its outset) will be retained by Twin America, but will be used exclusively to provide services in connection with Twin America's non-interstate operations. The buses, which currently display Twin America's FMCSA-assigned "MC" number, will be re-placarded to remove any reference to that number. With these changes in operation and the surrender of its FMCSA operating certificate, Twin America will no longer be an interstate motor passenger carrier and Board jurisdiction over it will come to an end.

Upon Board approval of the compliance plan set forth here, Applicants will begin to implement this plan. Applicants request that they be given 45 days from the date of the Board's approval to fully implement the plan, *e.g.*, to make arrangements to spin off the charter services to one or more carriers; to allow Twin America an opportunity to establish the marketing arrangements described above; to surrender the Twin America operating authority; to re-placard the Twin America motorcoaches; and to revise Twin America marketing materials to make clear

that interstate charters advertised by Twin America will be provided by other motor carriers.

Applicants would advise the Board once all of these measures are implemented, no later than the end of the proposed 45 day period.

For the reasons stated here, Applicants respectfully urge the Board to approve the above-described compliance plans and timetable.

Respectfully submitted,



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February 8, 2012

CERTIFICATE OF SERVICE

I hereby certify that on the 8th day of February, 2012, a copy of the foregoing
Compliance Report on all parties of record by U.S. mail or more expeditious means.



David H. Coburn