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SERVICE DATE – DECEMBER 31, 2008

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Docket No. MC-F-21031]

National Express Corporation—Intra-Corporate Family Transaction Exemption

National Express Corporation (NEC), a noncarrier, has filed a verified notice of exemption under the Board's class exemption procedures at 49 CFR 1182.9.¹ NEC seeks to implement the restructuring as part of an overall consolidation of its corporate structure in order to achieve organizational and operational efficiencies and related cost reductions.

Under the transaction, NEC, a Delaware corporation, intends to reorganize its corporate structure by consolidating certain directly and indirectly controlled subsidiaries into a single Delaware limited partnership, Durham School Services, L.P. (DSSLP), a motor passenger carrier. NEC states that it will retain its ultimate ownership and control of DSSLP because it is the sole member of Durham Holding II, L.L.C. and Durham Holding I, L.L.C., respectively, the general partner and limited partner of DSSLP, both noncarriers. The directly and indirectly controlled subsidiaries will provide exempt

¹ The Board exempted intra-corporate family transactions of motor carriers of passengers that do not result in significant operational changes, adverse changes in service levels, or a change in the competitive balance with carriers outside the corporate family in Class Exemption for Motor Passenger Intra-Corporate Family Transactions, STB Finance Docket No. 33685 (STB served Feb. 18, 2000.)

school bus services pursuant to 49 U.S.C. 13506(a)(1) and limited charter passenger carrier services to the public.

According to NEC, restructuring will involve two stages: (1) Polli Leasing, Inc. will be merged into Reliance Motor Coach Company, Inc., and Murphy Bus Service, Inc. will be merged into Murphy Transportation, Inc.; and (2) Jones School Bus Service, Inc., Reliance Motor Coach Company, Inc., Double A. Transportation, Inc., and Murphy Transportation, Inc. will be merged into DSSLP. NEC states that, after the restructuring, DSSLP will continue to exist while the other directly and indirectly controlled subsidiaries will cease to exist.

The transaction is scheduled to be consummated on or about December 31, 2008, or at least 7 days after the filing date of this notice.

This is a transaction within a corporate family of the type specifically exempted from prior review and approval under 49 CFR 1182.9. NEC states that the transaction will not result in adverse changes in service levels, significant operational changes, or a change in the competitive balance with carriers outside the corporate family. Applicant further states that (1) it will accomplish the reorganization through an Agreement and Plan of Merger entered into by and between the affected entities, and (2) there will be no material effect on employees of the companies involved in the restructuring.

If the verified notice contains false or misleading information, the Board shall summarily revoke the exemption and require divestiture. Petitions to revoke the exemption under 49 U.S.C. 13541(d) may be filed at any time. See 49 CFR 1182.9(c).

An original and 10 copies of all pleadings, referring to STB Docket No. MCF-21031, must be filed with the Surface Transportation Board, 395 F Street, S.W.,

Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Thomas W. Wilcox, 401 9th St., N.W., Suite 1000, Washington, DC 20004.

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

Decided: December 22, 2008.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Anne K. Quinlan

Acting Secretary