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SERVICE DATE - JANUARY 21, 2000

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. MC-F-20960

STAGECOACH HOLDINGS PLC AND COACH USA, INC., ET AL.—
CONTROL—AMERICAN COACH LINES, INC.

AGENCY: Surface Transportation Board

ACTION: Notice Tentatively Approving Finance Transaction.

SUMMARY: Stagecoach Holdings PLC (Stagecoach) and its subsidiary, Coach USA, Inc. (Coach), noncarriers, and various subsidiaries of each (collectively, applicants), filed an application under 49 U.S.C. 14303 to acquire control of American Coach Lines, Inc. (ACL), a motor passenger carrier. Persons wishing to oppose this application must follow the rules under 49 CFR part 1182.5 and 1182.8. The Board has tentatively approved the transaction, and, if no opposing comments are timely filed, this notice will be the final Board action.

DATES: Comments must be filed by March 6, 2000. Applicants may file a reply by March 21, 2000. If no comments are filed by March 6, 2000, this notice is effective on that date.

ADDRESSES: Send an original and 10 copies of any comments referring to STB Docket No. MC-F-20960 to: Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, send one copy of any comments to applicant's representative: Betty Jo Christian, Steptoe & Johnson LLP, 1330 Connecticut Avenue, N.W., Washington, DC 20036.

FOR FURTHER INFORMATION CONTACT: Joseph H. Dettmar (202) 565-1600. [TDD for the hearing impaired: 1-800-877-8339.]

SUPPLEMENTARY INFORMATION: Stagecoach is a public limited corporation organized under the laws of Scotland. With operations in eight countries, Stagecoach is one of the world's largest providers of passenger transportation services. Stagecoach had annual revenues for the fiscal year ending April 30, 1999, of \$2.475 billion. Coach is a Delaware corporation that currently controls 83 motor passenger carriers.

Stagecoach and its subsidiaries currently control Coach¹, its noncarrier regional management subsidiaries, and the motor passenger carriers jointly controlled by Coach and the management subsidiaries.² In previous Board decisions, Coach management subsidiaries, including Coach USA Southeast, Inc., have obtained authority to control motor passenger carriers jointly with Coach.³

Applicants state that Coach purchased all of the outstanding stock of ACL in November 1999 and simultaneously placed that stock into an independent voting trust.⁴ According to applicants, the transaction did not involve any transfer of the federal or state operating authorities held by ACL and will not entail any change in that carrier's operations.

Applicants have submitted information, as required by 49 CFR 1182.2(a)(7), to demonstrate that the proposed acquisition of control is consistent with the public interest under 49 U.S.C. 14303(b). Applicants state that the proposed transaction will not reduce competitive options, adversely impact fixed charges, or adversely impact the interests of the employees of ACL. In addition, applicants have submitted all of the other statements and certifications required by 49 CFR 1182.2. Additional information, including a copy of the application, may be obtained from the applicants' representative.

Under 49 U.S.C. 14303(b), we must approve and authorize a transaction we find consistent with the public interest, taking into consideration at least: (1) the effect of the transaction on the adequacy of transportation to the public; (2) the total fixed charges that result; and (3) the interest of affected carrier employees.

On the basis of the application, we find that the proposed acquisition of control is consistent with the public interest and should be authorized. If any opposing comments are timely filed, this finding will be deemed vacated and, unless a final decision can be made on the record as developed, a procedural schedule will be adopted to reconsider the application. See 49 CFR 1182.6(c). If no

¹Stagecoach controls Coach through various subsidiaries, namely, SUS 1 Limited, SUS 2 Limited, Stagecoach General Partnership, and SCH US Holdings Corp.

² See Stagecoach Holdings PLC--Control--Coach USA, Inc., et al., STB Docket No. MC-F-20948 (STB served July 22, 1999).

³ See Coach USA, Inc. and Coach USA North Central, Inc.--Control--Nine Motor Carriers of Passengers, STB Docket No. MC-F-20931, et al. (STB served July 14, 1999).

⁴ ACL is a Georgia corporation. It holds federally-issued operating authority in Docket No. MC-141589, authorizing it to provide charter and special services between points in the United States, as well as various regular route services between the Atlanta area and points in Georgia, North Carolina and Alabama. ACL operates a fleet of approximately 70 buses and employs approximately 120 persons. Its revenues for the 12-month period ending September 30, 1999, were approximately \$8.8 million.

opposing comments are filed by the expiration of the comment period, this decision will take effect automatically and will be the final Board action.

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

It is ordered:

1. The proposed acquisition of control is approved and authorized, subject to the filing of opposing comments.
2. If timely opposing comments are filed, the findings made in this decision will be deemed as having been vacated.
3. This decision will be effective on March 6, 2000, unless timely opposing comments are filed.
4. A copy of this notice will be served on: (1) the U.S. Department of Transportation, Office of Motor Carrier Safety – HMCE-20, 400 Virginia Avenue, S.W., Suite 600, Washington, DC 20024; (2) the U.S. Department of Justice, Antitrust Division, 10th Street & Pennsylvania Avenue, N.W., Washington, DC 20530; and (3) the U.S. Department of Transportation, Office of the General Counsel, 400 7th Street, S.W., Washington, DC 20590.

Decided: January 14, 2000.

By the Board, Chairman Morgan, Vice Chairman Burkes and Commissioner Clyburn.

Vernon A. Williams
Secretary