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SERVICE DATE - NOVEMBER 14, 2003

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. MC-F-21004

LINCOLNSHIRE EQUITY FUND II, L.P., VSC PARTNERS, LLC, ACL ACQUISITION, LLC,
AND SOUTHEAST COACH, INC.—CONTROL—AMERICAN COACH LINES OF MIAMI,
INC.

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Approving Finance Transaction.

SUMMARY: Lincolnshire Equity Fund II, L.P. (LEF II), VSC Partners, LLC (VSC), ACL Acquisition, LLC (ACL Acquisition), and Southeast Coach, Inc. (SCI) (collectively, applicants), noncarriers that control several motor passenger carriers,¹ jointly filed an application under 49 U.S.C. 14303 to acquire control of American Coach Lines of Miami, Inc. (ACL Miami), a newly formed company. Persons wishing to oppose the application must follow the rules at 49 CFR part 1182.5 and 1182.8. The Board has tentatively approved the transaction, and, if no opposing comments are timely filed, this matter will be the final Board action.

DATES: Comments must be filed by December 29, 2003. Applicants may file a reply by January 13, 2004. If no comments are filed by December 29, 2003, the tentative approval becomes final on that date.

ADDRESSES: Send an original and 10 copies of any comments referring to STB Docket No. MC-F-21004 to: Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, send one copy of comments to applicants' representative: Vincent J. Coyle, Jr., Pitney, Hardin, Kipp & Szuch LLP, 685 Third Avenue, New York, NY 10017-4024.

FOR FURTHER INFORMATION CONTACT: Beryl Gordon, (202) 565-1600. [Federal Information Relay Service (FIRS) for the hearing impaired: 1-800-877-8339.]

SUPPLEMENTARY INFORMATION: LEF II, a Delaware limited partnership, and VSC, a Delaware limited liability company, are private equity firms specializing in middle market investments. SCI is a Delaware holding company that was created for the purpose of acquiring ownership of the motor passenger carriers that were the subject of the Board's decision in STB

¹ See Lincolnshire Equity Fund II, L.P., et al.—Control—America Charters, Ltd., et al., STB Docket No. MC-F-21003 (STB served Aug. 18, 2003).

Docket No. MC-F-21003. See supra note 1. ACL Acquisition, which is an intermediate holding company between LEF II and VSC, on the one hand, and SCL, on the other hand, is a Delaware limited liability company that was created for the purpose of effectuating the instant transaction.

Applicants state that they intend to own and operate a bus transportation business in the Miami area and have formed ACL Miami to be incorporated in Delaware and also to qualify to do business as a foreign corporation in the State of Florida. Applicants also state that ACL Miami intends to apply for federal operating authority from the Federal Motor Carrier Safety Administration to operate as a motor passenger carrier. According to applicants, ACL Miami will provide bus service in the Miami area that is similar, but not identical, to operations formerly provided by American Bus Lines, Inc. (American Bus), a wholly owned subsidiary of Coach USA, Inc.² ACL Miami will conduct interstate charter bus operations and intends to provide local charter service to a variety of customers, including schools, tour groups and various businesses. ACL Miami also plans to provide charter service to Florida colleges and universities under long-term service contracts.

Under 49 U.S.C. 14303(b), the Board must approve and authorize a transaction it finds 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.

Applicants have submitted the information required by 49 CFR 1182.2, including information to demonstrate that the proposed transaction is consistent with the public interest under 49 U.S.C. 14303(b). Applicants state that the proposed acquisition of control will not reduce competitive options, result in unreasonable fixed charges, or adversely impact employees. They assert that granting the application will allow the new motor carrier to take advantage of economies of scale and substantial benefits offered by applicants that would otherwise be unavailable to the motor carrier individually. They also assert that, with the termination of operations by American Bus, ACL Miami's commencement of operations will fill an important service void. Applicants state that ACL Miami has made offers of employment to, and intends to hire, a number of personnel in the Miami area, several of whom were employees of American Bus. ACL Miami will conduct business in some of the markets formerly served by American Bus and intends to move into other markets as well. Additional information, including a copy of the application, may be obtained from applicants' representative.

On the basis of the application, the Board finds that the proposed transaction 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

² American Bus has ceased operating in the Miami area.

1182.6(c). If no opposing comments are filed by the expiration of the comment period, this decision will take effect automatically and will be the final Board action.

Board decisions and notices are available on the Board's website at "WWW.STB.DOT.GOV."

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 December 29, 2003, unless timely opposing comments are filed.

4. A copy of this notice will be served on: (1) the U.S. Department of Transportation, Federal Motor Carrier Safety Administration, 400 7th Street, S.W., Room 8214, Washington, DC 20590; (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: November 7, 2003.

By the Board, Chairman Nober.

Vernon A. Williams
Secretary