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SERVICE DATE – JULY 13, 2007

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. MC-F-21021

FIRSTGROUP PLC—ACQUISITION—COGNISA TRANSPORTATION, INC.

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Approving Finance Transaction.

SUMMARY: On June 13, 2007, FirstGroup plc (FirstGroup), a noncarrier in control of one or more motor carriers of passengers, filed an application under 49 U.S.C. 14303 to acquire Board authorization of its indirect purchase of the properties of Cognisa Transportation, Inc (Cognisa). Persons wishing to oppose this application must follow the rules at 49 CFR 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 August 27, 2007. Applicant may file a reply by September 11, 2007. If no comments are filed by August 27, 2007, this notice is effective on that date.

ADDRESSES: Send an original and 10 copies of any comments referring to STB Docket No. MC-F-21021 to: Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, send one copy of comments to applicant's representative: Fritz R. Kahn, 1920 N Street, N.W., 8th Floor, Washington, DC 20036.

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

SUPPLEMENTARY INFORMATION: FirstGroup is a public limited company organized under the laws of Scotland, U.K. FirstGroup states that it has three North American operating divisions: (1) First Student, Inc., (2) First Transit, Inc., and (3) First Services, Inc. FirstGroup America, Inc., a wholly owned subsidiary of FirstGroup USA, Inc., controls First Student, Inc. and First Transit, Inc. (First Transit). First Services, Inc., a wholly owned subsidiary of FirstGroup USA, Inc., controls First Vehicle Services, Inc. and First Support Services, Inc.¹

¹ FirstGroup's corporate organization chart is attached as Exhibit 1 to its application.

According to FirstGroup, First Transit (MC 576222) purchased the properties of Cognisa, effective January 1, 2007, without the advice of commerce counsel or the approval of the Board. The Board informed FirstGroup that it must file a complete application under 49 CFR 1182 seeking authorization for First Transit's acquisition of Cognisa.² We will consider the application here.

Cognisa (MC-548215) was a motor common carrier of passengers rendering special and charter operations, primarily in the airport, university, and corporate passenger shuttle market.

The gross operating revenues of FirstGroup and Cognisa exceed \$2 million annually. Through the transaction, First Transit acquired the buses, assignable contracts, customer lists, and good will of Cognisa. All of these assets have been merged into First Transit. Cognisa remains a corporate entity but without transportation assets.

Under 49 U.S.C. 14303(b), the Board must approve and authorize a transaction found to be 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.

FirstGroup has submitted information, as required by 49 CFR 1182.2, including the information to demonstrate that the transaction is consistent with public interest under 49 U.S.C. 14303(b). Applicant has shown that the transaction has had no adverse impact on the adequacy of transportation services available to the public, that the transaction has not had an adverse effect on the total fixed charges, and that the interests of employees of Cognisa were not adversely impacted. Additional information, including a copy of the application, may be obtained from the applicant's representative.

On the basis of the application, we find that the 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 opposing comments are filed by the expiration of the comment period, this notice will take effect automatically and will be the final Board action.

² See FirstGroup plc—Acquisition—Laidlaw International, Inc., STB Docket No. MC-F-21020 (STB served Apr. 5, 2007).

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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 finance transaction is approved and authorized, subject to the filing of opposing comments.
2. If timely opposing comments are filed, the findings made in this notice will be deemed as having been vacated.
3. This notice will be effective August 27, 2007, 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, 1200 New Jersey Avenue, S.E., 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, 1200 New Jersey Avenue, S.E., Washington, DC 20590.

Decided: July 5, 2007.

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

Vernon A. Williams
Secretary