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SERVICE DATE – SEPTEMBER 24, 2014

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. MCF 21059

ACADEMY EXPRESS, L.L.C.—ACQUISITION OF THE PROPERTIES OF GO BUS LLC  
AND ITS AFFILIATE, MCIZ CORP.

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Authorizing Finance Transaction.

SUMMARY: Academy Express, L.L.C. (Academy Express), a motor carrier of passengers, has filed an application under 49 U.S.C. § 14303 to acquire properties of Go Bus LLC (Go Bus) and its affiliate, MCIZ Corp. (MCIZ), both motor carriers of passengers.<sup>1</sup> The Board is tentatively approving and authorizing the transaction, and, if no opposing comments are timely filed, this notice will be the final Board action. Persons wishing to oppose the application must follow the rules under 49 C.F.R. §§ 1182.5 and 1182.8.

DATES: Comments must be filed by November 10, 2014. Applicants may file a reply by November 24, 2014. If no comments are filed by November 10, 2014, this notice shall be effective on November 11, 2014.

ADDRESSES: Send an original and 10 copies of any comments referring to Docket No. MCF 21059 to: Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, send one copy of comments to Academy Express's representative: Fritz R. Kahn, Fritz R. Kahn, P.C., 1919 M Street, N.W., 7th Floor, Washington, DC 20036.

FOR FURTHER INFORMATION CONTACT: Valerie Quinn, (202) 245-0382. Federal Information Relay Service (FIRS) for the hearing impaired: (800) 877-8339.

SUPPLEMENTARY INFORMATION: The Tedesco Family ESB Trust directly controls the following noncarriers: Academy Bus, L.L.C. (Academy Bus);<sup>2</sup> Franmar Leasing, Inc.; Franmar

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<sup>1</sup> Academy Express filed its application for acquisition of the properties of Go Bus and MCIZ on July 23, 2014. However, the Board determined that the information provided was not sufficiently complete to provide the required notice to the Board and to the public as to the nature and effect of the proposed transaction. In a Board decision served on August 21, 2014, Academy Express was directed to supplement its application, which it did on August 26, 2014.

<sup>2</sup> According to the corporate charts included in the applicant's petition, the Academy Bus entity that is controlled by the Tedesco Family ESB Trust is a New York limited liability

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Logistics, Inc.; Academy Services, Inc.; and Log Re, Inc. Academy Bus directly controls the following carriers: Academy Express, Academy Lines, L.L.C., and Number 22 Hillside, L.L.C. The applicant, Academy Express, holds authority from the Federal Motor Carrier Safety Administration (FMCSA) as a motor carrier primarily engaged in interstate special and charter operations (MC-413682). Go Bus and MCIZ are motor carriers licensed by FMCSA (MC-801906 and MC-161381, respectively). According to the corporate organization chart provided by Academy Express in its August 26 filing, Zev Marmurstein, an individual, Renee Marmurstein, an individual, and the ZRM Family Trust control 62-R LLC, a noncarrier, which controls Go Bus. Zev Marmurstein directly controls MCIZ.

Academy Express primarily provides charter bus and contract carrier services for associations or other groups in interstate commerce in the states of New York and New Jersey, and to a lesser extent in the District of Columbia, Virginia, Maryland, Pennsylvania, Connecticut, Rhode Island, and Massachusetts, and commuter line service between New Jersey and New York. Go Bus and MCIZ are primarily engaged in providing special and charter operations to and from places in the state of New York. Go Bus also provides regular-route service between New York, N.Y. (New York City), and Cambridge and Newton, Mass., and commuter line service between Glen Cove, N.Y., and New York City. MCIZ, pursuant to a contract with the New York City Board of Education, provides transportation to students and teachers on day trips from and to places in New York for sports or other events. Academy Express also states that MCIZ has a bus stop in New York City and licenses for two park-and-ride facilities in Nassau and Suffolk Counties, N.Y.

According to Academy Express, Go Bus and MCIZ have decided to cease acting as motor carriers. Under the proposed transaction, Academy Express seeks to acquire the interstate and intrastate operating authorities of Go Bus, its customer lists, telephone numbers, websites, and trade name, as well as MCIZ's contract with the New York City Board of Education, its bus stop in New York City and its licenses for the two park-and-ride facilities in Nassau and Suffolk Counties, N.Y.<sup>3</sup> Academy Express states that, if the transaction is approved, it would provide most, if not all, of the operations currently provided by Go Bus and MCIZ.

Under 49 U.S.C. § 14303(b), the Board must approve and authorize a transaction that it finds consistent with the public interest, taking into consideration at least: (1) the effect of the

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company. But another entity with the name Academy Bus, L.L.C., is owned by the Francis Tedesco Revocable Trust and the Mark Tedesco Revocable Trust as a Florida limited liability company. The applicant states that the Florida Academy Bus, L.L.C., was formerly Cabana Coaches, LLC, but changed its name to Academy Bus, L.L.C., on January 10, 2014. The Francis Tedesco Revocable Trust and the Mark Tedesco Revocable Trust obtained authority to acquire Cabana Coaches, LLC, in Tedesco Family ESB Trust—Purchase of Certain Assets & Membership Interests—Evergreen Trails, Inc., MCF 21056 (STB served Nov. 21, 2013).

<sup>3</sup> According to the application, Academy Express would not acquire Go Bus and MCIZ's buses. Instead, those buses would be conveyed to a company called ABC Companies, a noncarrier.

proposed transaction on the adequacy of transportation to the public; (2) the total fixed charges that result; and (3) the interest of affected carrier employees. Academy Express has submitted information, as required by 49 C.F.R. § 1182.2, including the information to demonstrate that the proposed transaction is consistent with the public interest under 49 U.S.C. § 14303(b), and a statement pursuant to 49 U.S.C. § 14303(g) that the 12-month aggregate gross operating revenues of Academy Express exceeded \$2 million.

With respect to the effect of the transaction on the adequacy of transportation to the public, Academy Express states that the proposed acquisition would benefit the patrons of Go Bus and MCIZ. According to Academy Express, passengers would be able to travel in newer, more comfortable, and better maintained buses, and would have more frequent service at a lower cost than was offered by Go Bus or MCIZ. Academy Express states that the proposed transaction would have little or no effect on competitive conditions in the special and charter bus markets. Academy Express states that it would compete with Greyhound Lines, Inc., Peter Pan Bus Lines, Inc., Martz Trailways, Magic Carpet Tours, and Majestic Tours, Inc., in providing service between New York City and Cambridge and Newton. Academy Express also states that it would compete with various services of the Metropolitan Transportation Authority in rendering service between Glen Cove and New York City, as well as in competing for the contract with the New York City Board of Education. Academy Express states that the proposed transaction would have no effect on total fixed charges. Further, Academy Express states that the transaction would have little or no effect upon Go Bus and MCIZ's employees, as the substantial majority of these employees would continue to be employed by the affiliate or other related entities of Go Bus, or may be offered employment with Academy Express.

On the basis of the application, the Board finds that the proposed acquisition of control is consistent with the public interest and should be tentatively approved and 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 C.F.R. § 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.

Academy Express's application and supplemental filing, as well as Board decisions and notices, are available on our 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 transaction is approved and authorized, subject to the filing of opposing comments.
2. If opposing comments are timely filed, the findings made in this notice will be deemed as having been vacated.

3. This notice will be effective November 11, 2014, unless opposing comments are timely filed.

4. A copy of this decision 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: September 18, 2014.

By the Board, Chairman Elliott, Vice Chairman Miller, and Commissioner Begeman.