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SERVICE DATE - NOVEMBER 12, 1999

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. MC-F-20955

STAGECOACH HOLDINGS PLC AND COACH USA, INC., ET AL.--CONTROL--
GOLDEN ISLES COACHES OF FLORIDA, INC.

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Approving Finance Application.

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 Golden Isles Coaches of Florida, Inc. (Golden Isles), a motor passenger carrier. Persons wishing to oppose the application must follow the rules under 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 December 27, 1999. Applicants may file a reply by January 11, 2000. If no comments are filed by December 27, 1999, this notice is effective on that date.

ADDRESSES: Send an original and 10 copies of any comments referring to STB Docket No. MC-F-20955 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 comments to applicants' representative: Betty Jo Christian, Steptoe & Johnson LLP, 1330 Connecticut Avenue, N.W., Washington, DC 20036.

FOR FURTHER INFORMATION CONTACT: Beryl Gordon, (202) 565-1600. [TDD for the hearing impaired: (202) 565-1695.]

SUPPLEMENTARY INFORMATION: Stagecoach is a public limited company organized under the laws of Scotland. With operations in eight countries, Stagecoach is one of the world's largest providers of passenger transportation services. It had annual revenues for the fiscal year ending April 30, 1999, of \$2.475 billion. Coach is a Delaware corporation that currently controls 82 motor passenger carriers.

Stagecoach and its subsidiaries currently control Coach,¹ 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. (Southeast), have obtained authority to control motor passenger carriers jointly with Coach,³ one of which is ASTI, Inc. (ASTI),⁴ the corporate parent and owner of all of the stock of Golden Isles.

Applicants state that, in 1996, when Coach acquired Golden Isles as part of the transaction in which it acquired ASTI, Golden Isles surrendered its federally issued motor carrier operating authority and ceased operating as a carrier. Thus, Coach did not request Board authority to control Golden Isles at that time, as it was not required. According to applicants, Golden Isles has recently obtained new federal operating authority authorizing operations as a motor passenger carrier to conduct charter and special operations.⁵ Applicants, therefore, seek Board authority to control Golden Isles.⁶

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. Applicants state that the proposed transaction will not reduce competitive options, adversely impact fixed charges, or adversely impact the interests of the employees of Golden Isles. They assert that granting the application will allow Golden Isles to continue to take advantage of economies of scale and substantial benefits offered by applicants, including

¹ Stagecoach 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 ASTI was formerly known as American Sightseeing Tours, Inc. It now operates, pursuant to a name change approved by the Federal Highway Administration in May 1999, as ASTI, Inc., d/b/a Coach USA, Inc.

⁵ Golden Isles is a Florida corporation. It holds federally issued operating authority in Docket No. MC-224982, which authorizes it to provide charter and special operations between points in the United States.

⁶ Applicants state that the stock of Golden Isles has been placed in an independent voting trust pending disposition of this proceeding. They anticipate that ASTI will reacquire Golden Isles' stock upon approval of this application.

interest cost savings and reduced operating costs. 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 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 December 27, 1999, 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: November 4, 1999

STB Docket No. MC-F-20955

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

Vernon A. Williams
Secretary