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SERVICE DATE – SEPTEMBER 18, 2008

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. MC-F-21029

STAGECOACH GROUP PLC AND COACH USA, INC., ET AL.–
ACQUISITION OF CONTROL–EASTERN TRAVEL & TOUR, INC.

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Approving Finance Transaction.

SUMMARY: Stagecoach Group, PLC (Stagecoach), a noncarrier, its noncarrier intermediate subsidiaries (Stagecoach Transport Holdings plc, SCUSI Ltd., Coach USA Administration, Inc.), Coach USA, Inc. (Coach USA), and KILT Trans, Inc. (KILT), a motor passenger carrier (MC-115432) controlled by Coach USA (collectively, applicants), have filed an application under 49 U.S.C. 14303 for acquisition and operation of certain assets of Eastern Travel & Tour, Inc. (Eastern), a motor passenger carrier (MC-429551). Upon acquisition, Eastern will cease operations and KILT will assume such operations. The Board has tentatively approved 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 CFR 1182.5 and 1182.8.

DATES: Comments must be filed by November 3, 2008. Applicants may file a reply by November 17, 2008. If no comments are received by November 3, 2008, this notice is effective on that date.

ADDRESSES: Send an original and 10 copies of any comments referring to STB Docket No. MC-F-21029 to: Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, send one copy of comments to applicants' representatives: David H. Coburn and Scott M. Mirelson, Steptoe & Johnson, LLP, 1330 Connecticut Ave., N.W., 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: Stagecoach, headquartered in Scotland, is one of the world's largest providers of passenger transportation services. It operates in several countries, including the United States, through a series of operating divisions. Coach USA is a Delaware corporation that currently controls numerous passenger carriers, including KILT, one of the

subjects of this transaction.¹ KILT is currently listed in Federal Motor Carrier Safety Administration (FMCSA) records as Pawtuxet Valley Bus Lines, Inc. Applicants state that KILT will request that FMCSA update its records to reflect the name KILT d/b/a Eastern following approval of the transaction.

Under the proposed transaction, applicants seek permission to acquire certain assets of Eastern, including Eastern's name, buses, customer lists, any property leases, sales records, website, and other assets. Eastern currently operates 12 motorcoaches, and provides regular route service between several points in the Mid-Atlantic States, including between New York, NY, and Washington, DC; New York and Baltimore, MD; and New York and Richmond, VA. The proposed transaction contemplates the cessation of operations by Eastern on these and other routes. Utilizing Eastern's assets in combination with KILT's, applicants state that there will be a seamless continuation of services previously provided by Eastern through KILT.

Under 49 U.S.C. 14303, 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 information, as required by 49 CFR 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 that the 12-month aggregate gross operating revenues of all motor carrier parties and all motor carriers controlling, controlled by, or under common control with any party exceeded \$2 million. Applicants state that the proposed transaction will have no impact on the adequacy of transportation services available to the public inasmuch as the operations of Eastern will remain unchanged, and that fixed charges associated with the proposed transaction will not be adversely impacted. Eastern currently employs approximately 24 persons, and applicants state that KILT is evaluating its employment needs with a view to employing qualified personnel that are currently employed by Eastern to operate the relevant services. Additional information, including a copy of the application, may be obtained from the applicants' representatives.

On the basis of the application, the Board finds that the proposed acquisition of assets 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.

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

¹ Together, Stagecoach and Coach USA control 65 motor passenger carriers.

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 and operation of certain assets of Eastern by applicants 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 November 3, 2008, unless timely opposing comments are filed.

4. A copy of this decision will be served on: (1) 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 11, 2008.

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

Anne K. Quinlan
Acting Secretary