

41959
EB

SERVICE DATE – NOVEMBER 2, 2011

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. MC-F 21041

NATIONAL EXPRESS ACQUISITION CORPORATION—CONTROL—
PETERMANN PARTNERS, INC.

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Approving and Authorizing Finance Transaction.

SUMMARY: National Express Acquisition Corporation (NEAC) and National Express Corporation (NEC), both noncarriers, have filed an application under 49 U.S.C. § 14303 for NEAC's acquisition of control of Petermann Partners, Inc. (PPI), a noncarrier, and the passenger motor carriers PPI controls: Beck Bus Transportation Corp. (MC-143528); Petermann Northeast, LLC (MC-723926); Petermann Northwest, LLC (MC-638608); Petermann Southwest, LLC (MC-644996); Petermann STSA, LLC (which has filed for registration in FMCSA Docket No. MC-749360); MV Student Transportation, Inc. (MC-148934); Carrier Management, Inc. (no MC number); and Petermann Ltd. (MC-364668) (collectively, Petermann Carriers). The Board has tentatively approved and authorized 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 December 16, 2011. Applicants may file a reply by December 30, 2011. If no comments are filed by December 16, 2011, this notice is effective on that date.

ADDRESSES: Send an original and 10 copies of any comments referring to Docket No. MC-F 21041 to: Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, send one copy of comments to the Applicants' representative: Andrew K. Light, Scopelitis, Garvin, Light, Hanson & Feary, P.C., 10 W. Market Street, Suite 1500, Indianapolis, IN 46204.

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

SUPPLEMENTARY INFORMATION: A British Corporation, National Express Group, PLC, controls NEC and NEAC, both of which are noncarrier holding companies incorporated in Delaware. NEC controls Vogel Bus Company, Inc. (MC-274520) (Vogel) and Durham School Services, L.P. (MC-163066) (Durham), both of which are motor carriers providing interstate

charter passenger services to the public.¹ PPI is a noncarrier holding company incorporated in Delaware. All of the Petermann Carriers primarily provide school bus transportation. Their interstate charter operations, which are subject to the Board's jurisdiction, are limited and often provided in school buses.

Under the proposed transaction, NEAC seeks permission to acquire, directly or indirectly, all of the shares of PPI. Applicants state that NEC's "operational infrastructure will be relied upon heavily for the actual operation of [the Petermann Carriers]." Accordingly, because of this and the fact that NEC controls 2 carriers, NEC has been included as an applicant in an abundance of caution.

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 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 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: (1) the proposed transaction will have no impact on the adequacy of transportation services available to the public, because the operations of the Petermann carriers will continue to be provided by the same companies under the same name, as part of the NEC corporate family, an organization with experience in passenger transportation; and (2) the proposed transaction will have no fixed charges. Applicants also state that the proposed transaction will not have substantial impacts on employees or labor conditions because NEC does not anticipate a measurable reduction in force or change in compensation levels and/or benefits, although NEC states that it is possible that a limited number of back-office and/or managerial personnel could be affected. Additional information, including a copy of the application, may be obtained from the applicants' representative.

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.

¹ The core business of Vogel and Durham is transporting students to and from school, a type of transportation that is not subject to Board jurisdiction. See 49 U.S.C. § 13506(a)(1). Vogel and Durham also provide interstate charter services (using both school buses and motor coaches), which is subject to the Board's jurisdiction.

The parties' application and 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 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 December 16, 2011, 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: October 28, 2011.

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