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SERVICE DATE - JULY 28, 2000

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. MC-F-20969

STAGECOACH HOLDINGS PLC AND COACH USA, INC., ET AL.— CONTROL—B&A  
CHARTER TOURS, INC., DILLON'S BUS SERVICE, INC., AND THE MCMAHON  
TRANSPORTATION CO.

STB Docket No. MC-F-20970<sup>1</sup>

STAGECOACH HOLDINGS PLC AND COACH USA, INC., ET AL.—  
CONTROL—EXPRESS SHUTTLE, INC.

AGENCY: Surface Transportation Board

ACTION: Notice Tentatively Approving Finance Transactions.

SUMMARY: Stagecoach Holdings PLC (Stagecoach) and its subsidiary, Coach USA, Inc. (Coach), noncarriers, and various subsidiaries of each (collectively, applicants) have filed an application under 49 U.S.C. 14303 in STB Docket No. MC-F-20969 to acquire control of motor passenger carriers B&A Charter Tours, Inc. (B&A), Dillon's Bus Service, Inc. (Dillon's), and The McMahon Transportation Co. (McMahon) (collectively, Maryland Carriers); and in STB Docket No. MC-F-20970 to acquire control of motor passenger carrier Express Shuttle, Inc., (Express). Persons wishing to oppose this application must follow the rules under 49 CFR part 1182.5 and 1182.8. The Board has tentatively approved the transactions, and, if no opposing comments are timely filed, this notice will be the final Board action.

DATES: Comments must be filed by September 11, 2000. Applicants may file a reply by September 26, 2000. If no comments are filed by September 11, 2000, this notice is effective on that date.

ADDRESSES: Send an original and 10 copies of any comments referring to STB Docket Nos. MC-F-20969 and MC-F-20970 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 any comments to applicants' representative: Betty Jo Christian, Steptoe & Johnson LLP, 1330 Connecticut Avenue, N.W., Washington, DC 20036.

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<sup>1</sup> These proceedings are not consolidated. A single decision is being issued for administrative convenience.

FOR FURTHER INFORMATION CONTACT: Joseph H. Dettmar (202) 565-1600. [TDD for the hearing impaired: 1-800-877-8339.]

SUPPLEMENTARY INFORMATION: Stagecoach is a public limited corporation organized under the laws of Scotland. With operations in several countries, Stagecoach is one of the world's largest providers of passenger transportation services. Stagecoach had annual revenues for the fiscal year ending April 30, 2000, of over \$3.29 billion. Coach is a Delaware corporation that currently controls over 80 motor passenger carriers.

Stagecoach and its subsidiaries currently control Coach,<sup>2</sup> its noncarrier regional management subsidiaries, and the motor passenger carriers jointly controlled by Coach and the management subsidiaries.<sup>3</sup> In previous Board decisions, Coach management subsidiaries, including Coach USA Northeast, Inc. and Coach USA North Central, Inc., have obtained authority to control motor passenger carriers jointly with Coach.<sup>4</sup>

Applicants state that Coach purchased all of the outstanding stock of the Maryland Carriers, which had been commonly owned, in May 2000 and placed the stock of each into separate, independent voting trusts.<sup>5</sup> Applicants further state that Coach also purchased all of the outstanding stock of Express in April 2000 and placed that stock into an independent voting

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<sup>2</sup> Stagecoach controls Coach through various subsidiaries, namely, SUS 1 Limited, SUS 2 Limited, Stagecoach General Partnership, and SCH US Holdings Corp.

<sup>3</sup> See Stagecoach Holdings PLC—Control—Coach USA, Inc., et al., STB Docket No. MC-F-20948 (STB served July 22, 1999).

<sup>4</sup> 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).

<sup>5</sup> B&A, Dillon's, and McMahon are Maryland corporations with integrated operations involving a fleet of approximately 28 buses and employing approximately 80 persons. B&A holds federally-issued operating authority in Docket No. MC-170895, authorizing it to provide charter and special services between points in the United States. Its revenues for the 12-month period ended December 31, 1999, were \$98,641. Dillon's holds federally-issued operating authority in Docket No. MC-36788, authorizing it to provide regular route services between points in Maryland and Washington, DC, as well as charter and special services between points in the United States. For the twelve month period ended December 31, 1999, Dillon's operating revenues were approximately \$5.1 million. McMahon holds federally-issued operating authority in Docket No. MC-788, authorizing it to provide regular route service between points in Maryland and nearby states. It also holds authority to provide charter and special services between points in the United States. McMahon's operating revenues for the twelve months ended December 31, 1999, were \$117,911.

trust.<sup>6</sup> According to applicants, these transactions did not involve any transfer of the federal or state operating authorities held by any of these carriers and will not entail any change in their operations.

Applicants have submitted information, as required by 49 CFR 1182.2(a)(7), to demonstrate that the proposed transactions are consistent with the public interest under 49 U.S.C. 14303(b). Applicants state that the proposed transactions will not reduce competitive transportation options, adversely impact fixed charges, or adversely impact the interests of the employees of the acquired carriers. 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 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 transactions are 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.

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 acquisitions of control are approved and authorized, subject to the filing of opposing comments.

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<sup>6</sup> Express is a North Dakota corporation that operates a fleet of approximately 20 vehicles and employs 73 persons. Its operations consist of the contract transportation of railroad crews between points in North Dakota or other nearby states pursuant to an ICC permit issued in Docket No. MC-254884. Express also holds a federally-issued certificate authorizing the transportation of property between points in the United States as a common carrier. For the fiscal year ended December 31, 1999, Express (together with Bismark Transportation, a related non-federally regulated carrier) had annual revenues in excess of \$ 2 million.

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 September 11, 2000, 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 – 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: July 24, 2000.

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

Vernon A. Williams  
Secretary