

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

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STB DOCKET NO. MC-F-21045

**STAGECOACH GROUP plc AND COACH USA, INC., et al.
-- ACQUISITION OF CONTROL OF ASSETS -- AMERICAN COACH LINES OF
ATLANTA, INC.; CUSA AT, LLC; CUSA AWC, LLC; CUSA ELKO, LLC; CUSA
KBC, LLC; CUSA PCSTC, LLC; CUSA PRYS, LLC; CUSA RAZ, LLC;
DILLON'S BUS SERVICE, INC.; AND LAKEFRONT LINES, INC.**

**APPLICANTS' REPLY IN SUPPORT OF APPLICATION AND
REQUEST FOR AN EXPEDITED DECISION**

David H. Coburn
STEPTOE & JOHNSON LLP
1330 Connecticut Avenue, N.W.
Washington, D.C. 20036
(202) 429-3000

Attorney for Stagecoach Group plc;
Stagecoach Transport Holdings
Limited; The Integrated Transport
Company Limited; Stagecoach
Aviation Europe Limited.; SCOTO
Limited; SCUSI Limited; Coach
USA Administration, Inc.; Coach
USA, Inc.; TRT Transportation, Inc.;
Coach USA Tours Las Vegas, Inc.
and Coach USA MBT, LLC

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Applicants Stagecoach Group, plc; Coach USA, Inc. and related co-applicants (collectively, "Coach USA") filed an application with the Board on May 25, 2012 to assume control of the assets of the nine Coach America carriers listed in the caption of this proceeding as required by 49 U.S.C. § 14303. On June 22, 2012, consistent with the statutory requirement at § 14303(d) for a 45-day comment period, the Board issued a decision soliciting public comments on that Application and setting August 6, 2012 as the due date for comments and August 21, 2006 as the due date for replies. The Board did not issue a tentative grant of the Application which would have become effective automatically had no adverse comments been filed by August 6, as per its usual practice specified at 49 C.F.R. §1182.5(a), because an adverse comment previously had been filed in response to the Application. Specifically, on June 5, 2012 Mr. Michael Yusim, a bus driver formerly employed by another Coach America carrier (Midnight Sun Tours, Inc.)

not among those whose assets Coach USA is acquiring, filed a comment complaining about a practice employed by Midnight Sun. Coach USA replied to that comment on June 6, 2012 and Mr. Yusim filed an unauthorized reply on June 8.¹

No additional comments were filed by any other party as of the August 6 due date. Accordingly, for the reasons stated below, Coach USA respectfully urges the Board to act promptly to issue a final decision approving the Application. This will allow the public benefits described in the Application to be fully realized in a setting in which Coach USA-- which closed the asset acquisition described in the Application on July 20, but simultaneously placed the stock of its acquisition subsidiaries into separate independent voting trusts -- is fully in control of the subsidiaries now operating the acquired assets.

A. Mr. Yusim’s Comment Offers No Basis for Delay in Final Approval

Mr. Yusim’s comment offers no basis to delay a decision in this proceeding. He is apparently a complainant in a proceeding before the U.S. Department of Labor (“DOL”) concerning alleged discrimination by his former employer, Midnight Sun, an interstate motor passenger carrier currently controlled by Coach America whose assets have been approved by the Bankruptcy Court for sale to a party unaffiliated with Coach USA.² That DOL proceeding (which arises from claims relating to the reporting of hours

¹ Coach USA filed with its May 25 application a request for interim control approval. Mr. Yusim also commented in opposition on that application, which the Board granted over his objection on June 19, 2012.

² The sale of the Midnight Sun assets is the subject of a control proceeding pending before the Board. *See* Frank Sherman, FSCS Corporation, TMS West Coast, Inc., Evergreen Trails, Inc. and Cabana Coaches, LLC—Acquisition and Consolidation of Assets—America Charters Ltd., America Coach Lines of Jacksonville, Inc., American Coach Lines of Miami, Inc., American Coach Lines of Orlando, Inc., CUSA ASL, LLC,

of service by bus drivers under regulations administered by the Federal Motor Carrier Safety Administration (“FMCSA”)) has been stayed as a result of the automatic stay provisions in the Bankruptcy Code at 11 U.S.C. § 362 resulting from the bankruptcy filing under Chapter 11 by Coach America and Midnight Sun. *In re Coach Am Group Holdings Corp, Case No. 12-10010* (Bkcty. Del) (KG) (Jointly Administered) (filed Jan. 3, 2012). By his protest, Mr. Yusim asks the Board to disallow the sale of any Coach America carrier unless the Secretary of Labor is allowed to proceed to hear his case and a similar case. He also asks that the Board require purchasers of the Coach America bus companies to produce certain documents relating to hours of service reporting under rules administered by FMCSA.

The reasons for denying Mr. Yusim’s protest that were set forth in Coach USA’s June 6 reply remain valid. As explained in Coach USA’s reply, the assets of Midnight Sun are *not* among those Coach USA seeks to acquire and therefore, Mr. Yusim’s protest—which is directed at the alleged actions of Midnight Sun—has no obvious bearing on the disposition of Coach USA’s application.

Further, the Bankruptcy Court has refused to lift the stay that might allow Mr. Yusim’s claims to proceed at DOL, despite the fact that Mr. Yusim has actively pleaded his case before that court. *See* Order Denying the Motion for Relief from Stay Filed by Michael Yusim [Docket No. 476] (*In re Coach Am Group Holdings Corp, Case No. 12-10010* (Bkcty. Del) (March 23, 2012)); Order Denying the Letter Request Filed by Michael Yusim Seeking Withdrawal of Joyner Administrative Law Proceeding [Docket

CUSA BCCAE, LLC, CUSA CC, LLC, CUSA FL, LLC, CUSA GCBS, LLC, CUSA GCT, LLC, CUSA K-TCS, LLC, and Midnight Sun Tours, Inc., Docket No. MC-F 21047 (served July 3, 2012).

No. 638] (*In re Coach Am Group Holdings Corp, Case No. 12-10010* (Bkcty. Del) (April 25, 2012)); Order Granting Motion of the Debtors For Order In Aid of Consummation of Court-Approved Sale of Assets [Docket No. 893] (*In re Coach Am Group Holdings Corp, Case No. 12-10010* (Bkcty. Del) (July 12, 2012)) (all remaining objections overruled). The Court has exclusive jurisdiction to determine whether to grant relief from the stay. *See* 11 U.S.C. § 362; *In re Franklin*, 179 B.R. 913, 925 (Bankr. E.D. Cal. 1995) (“only the bankruptcy court that has jurisdiction over the bankruptcy estate has the authority to terminate, annul, modify, or condition the automatic stay”). Thus, Mr. Yusim’s plea to the Board to lift the stay seeks relief that the Board has no authority to provide, either by its authority to condition the approval of control or otherwise. In addition, the records sought by Mr. Yusim regarding hours of service are plainly of no relevance to this acquisition of control proceeding, and concern matters relating to FMCSA’s administration of that agency’s rules.

It also bears note that neither Coach USA nor any carrier operating as part of the Coach USA family of motor carriers is party to the DOL proceedings of interest to Mr. Yusim. Coach USA entered into an asset purchase agreement with the Coach America carriers and those assets are currently being operated under Coach USA management on an interim control basis. Coach USA purchased those assets free and clear of any liabilities, including any liabilities sought to be imposed on Coach America by Mr. Yusim through the DOL proceedings which he describes. In short, Mr. Yusim’s protest is not relevant to this proceeding or to the operations of entities managed by Coach USA, and the relief he seeks cannot be granted here.

B. Prompt Action by the Board Will Allow for Dissolution of the Voting Trusts so that the Public Benefits of the Transaction Can Be Achieved

In its May 25 Application, Coach USA explained the public benefits of this transaction. These include: access to capital resources, favorable restructuring of debt, significant interest cost savings, and reduced operating costs resulting from the Applicants' enhanced volume purchasing power and centralized administrative and management functions. This improved access to capital and reduction in costs will allow for fleet modernization and other improvements.

These benefits cannot at present be fully achieved until Coach USA's unfettered right to control the assets is established by a final Board decision on its Application. The asset purchase transaction described in the application was closed on July 20 as per a voting trust procedure of which the Board was previously notified,³ and which was approved by the Bankruptcy Court on July 12, 2012. Specifically, the transaction was closed into a series of ten voting trusts, with each trustee holding the voting stock of each of the nine Coach USA acquisition subsidiaries and a leasing entity. Coach USA seeks now to dissolve those trusts, which it can do only upon achieving final Board approval. That approval will allow it to take the steps needed to completely achieve the benefits that will flow from its investment in the transaction and fully meld the entities now held in trust into the Coach USA family of carriers. Final Board approval will also relieve the trustees of their current obligations.

In light of the fact that there are no credible adverse comments, the Board should promptly find that the transaction is in the public interest under section 14303(b) so that the trusts can be dissolved and Coach USA can take over full control of the companies in

³ On June 25, 2012, Coach USA filed a letter with the Board informing the Board of its intention to use voting trust procedures. On June 29, 2012, the Board issued a letter to Coach USA granting its informal approval of Coach USA's proposed voting trusts.

order to operate their passenger transportation services for the benefit of the travelling public.

Respectfully submitted,



David H. Coburn
STEPTOE & JOHNSON LLP
1330 Connecticut Avenue, N.W.
Washington, D.C. 20036
(202) 429-3000

Attorney for Stagecoach Group plc;
Stagecoach Transport Holdings
Limited; The Integrated Transport
Company Limited; Stagecoach
Aviation Europe Limited; SCOTO
Limited; SCUSI Limited; Coach
USA Administration, Inc.; Coach
USA, Inc.; TRT Transportation, Inc.;
Coach USA Tours Las Vegas, Inc.
and Coach USA MBT, LLC

August 7, 2012

CERTIFICATE OF SERVICE

I certify that I have this 7th day of August, 2012 served a copy of the foregoing Applicants' Reply in Support of Application and Request for an Expedited Decision by Federal Express on:

Director of Operations
Antitrust Division
U.S. Department of Justice
950 Pennsylvania Ave. N.W.
Washington, D.C. 20530

Premerger Notification Office
Bureau of Competition
Room 303
Federal Trade Commission
600 Pennsylvania Avenue N.W.
Washington, D.C. 20580

Chief, Licensing and Insurance Division
U.S. Department of Transportation
Federal Motor Carrier Safety Administration
1200 New Jersey Avenue, S.E.
Washington, D.C. 20590

Michael Yusim
7499 Eagle Point Drive
Delray Beach, Florida 33446

and by first class mail, postage prepaid on:

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

Washington Metropolitan Area Transit Commission
1825 L Street, N.W.
Washington, D.C. 20036

Georgia Public Service Commission
Transportation Unit
244 Washington Street S.W.
Atlanta, GA 30334

Maryland Public Service Commission
Transportation Division
6 St. Paul Street, 18th Floor
Baltimore, MD 21202

Nevada Transportation Authority
2290 South Jones Boulevard
Suite 110
Las Vegas, NV 89146

Ohio Public Utilities Commission,
Transportation Department
180 East Broad Street
Columbus, OH 43215

Oregon Department of Transportation,
Motor Carrier Division
550 Capitol Street N.E.
Salem, OR 97310

Texas Department of Motor Vehicles
Motor Carrier Services
Credentialing Department
Austin, TX 78731

Alabama Public Service Commission
Transportation Division
100 North Union Street
Suite 850
Montgomery, AL 36104

Montana Public Service Commission
Transportation Division
1701 Prospect Avenue
Helena, MT 59620

Wyoming Department of Transportation
5300 Bishop Boulevard
Cheyenne, WY 82009

District of Columbia Department of Transportation
55 M Street, S.E., Suite 400
Washington, D.C. 20003



David H. Coburn