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25555

August 19, 2009



**FILED**

AUG 19 2009

**SURFACE  
TRANSPORTATION BOARD**

Via HAND DELIVERY

Hon. Anne K. Quinlan  
Acting Secretary  
Surface Transportation Board  
395 E Street, S.W.  
Washington, DC 20423-0001

Re: **MC-F-21035, Stagecoach Group plc and Coach USA, Inc. et. al. – Acquisition of Control - Twin America LLC**

Dear Secretary Quinlan:

Enclosed for filing in the above-captioned docket are the original plus ten copies of the application of Stagecoach Group plc, Coach USA, Inc. and affiliated entities and City Sights Twin, LLC and affiliated entities for control under 49 U.S.C. § 14303 of Twin America LLC, together with a draft Federal Register notice. I am also enclosing one copy of this filing on a CD.

I have enclosed a check in the amount of \$2,000 for payment of the filing fee in this matter.

Thank you for your attention to this matter.

**FEE RECEIVED**

AUG 19 2009

**TRANSPORTATION BOARD**

Respectfully,

*Linda S. Stein*

Linda S. Stein  
David H. Coburn  
Attorney for Applicants

**ENTERED  
Office of Proceedings**

AUG 19 2009

**Part of  
Public Record**

Enclosures

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

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**STB DOCKET NO. MC-F-21035**

**STAGECOACH GROUP PLC AND COACH USA, INC., et al.  
-- ACQUISITION OF CONTROL -- TWIN AMERICA LLC**

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**VERIFIED APPLICATION**

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Linda Stein  
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(202) 429-3000

Attorneys for Applicants Stagecoach  
Group plc; Stagecoach Transport  
Holdings plc.; SCUSI Ltd.; Coach  
USA Administration, Inc.; Coach  
USA, Inc.; International Bus  
Services, Inc.; City Sights Twin,  
LLC; Zev Marmurstein; and Twin  
America, LLC

August 19, 2009

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

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**VERIFIED APPLICATION**

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Pursuant to 49 U.S.C. § 14303 and the Board's rules at 49 CFR Part 1182, two sets of applicants file this application to control Twin America, LLC ("Twin America"), an entity that currently offers motor passenger service in interstate commerce and that is in the process of applying to become a federally regulated motor common carrier of passengers. The formation and control of that entity will hereafter be referred to as the "Transaction."

The first set of co-applicants (known here as the "Coach USA Applicants") are Stagecoach Group PLC ("Stagecoach") and Coach USA, Inc. ("Coach USA"), both non-carriers that control motor passenger carriers, International Bus Service ("IBS"), a Coach USA –controlled motor passenger carrier, and certain related co-applicants. The related co-applicants are the major non-carrier subsidiaries of Stagecoach (collectively, the "Intermediate Subsidiaries") that are the main intermediates in the corporate chain connecting Stagecoach with Coach, specifically, Stagecoach Transport Holdings plc, SCUSI Limited and Coach USA Administration, Inc.

The second set of co-applicants ("known here as the "City Sights Applicants") are non-carrier City Sights Twin, LLC ("City Sights Twin"), a New York LLC and Mr. Zev Marmurstein, an individual who is the sole member of City Sights Twin, LLC.

Twin America currently provides motor carrier tourism transportation services in New York City. As part of these services, Twin America regularly transports passengers from hotels in New Jersey to New York City. In addition, Twin America offers charter service to destinations outside the state of New York, and engages in various common arrangements with other carriers to offer Twin America transportation to passengers traveling from out-of-state. On August 10, 2009, Twin America applied to the Federal Motor Carrier Safety Administration (FMCSA) for appropriate operating authority and will become a regulated interstate motor carrier upon the conclusion of that process. Twin America holds DOT number 1924173 and has been assigned MC Number 688284 by FMCSA.

The two members of the Twin America, LLC are (1) applicant IBS, an operating subsidiary of co-applicant Coach USA, which holds a 50% ownership share and has made a greater than 60% equity contribution to Twin America and (2) City Sights Twin, which holds the remaining interest in Twin America. Twin America was formed when these two entities entered into an agreement to form the LLC for the purpose of operating certain motor carrier services that were previously operated by IBS and CitySights LLC.

Verification statements executed by each of the parties to this Application attesting to the facts set forth in the Application are attached. In addition, Applicants are supplying the Board with a draft Federal Register Notice.

## **I. INTRODUCTION AND DESCRIPTION OF TRANSACTION**

The Board has previously approved the control of numerous federally-regulated motor carriers by Stagecoach, Coach USA and their Intermediate Subsidiaries. By this Transaction those entities, jointly with the City Sights Applicants, seek authorization to acquire control of Twin America. The Transaction is subject to Board approval pursuant to 49 U.S.C. § 14303(a), which provides that certain transactions may only be carried out with the approval of the STB, including the consolidation or merger of the properties or franchises of at least 2 carriers into one operation for the ownership, management and operation of the previously separately owned properties; and the acquisition of control of a carrier by any number of carriers or by a person not a carrier but that controls any number of carriers. Here, Twin America has been formed to operate as a carrier under the joint control of two distinct groups of related carriers and non-carriers, thus triggering STB jurisdiction. Approval of this Application is consistent with the public interest standard set forth in 49 U.S.C. § 14303(b), as discussed further below.

## **II. DESCRIPTION OF THE PARTIES TO THE TRANSACTION**

The parties to this transaction are as follows:

### **A. The Coach USA Applicants**

Stagecoach Group plc is a public limited company organized under the laws of Scotland. Its principal executive offices are located at 10 Dunkeld Road, Perth PH1 5TW, Scotland. It was formed in 1980 and registered as a public limited company in 1991. Stagecoach, and certain wholly-owned subsidiaries identified below, acquired control of Coach in September 1999, following the Board's decision approving such

control in Finance Docket No. MC-F-20948, *Stagecoach Holdings PLC – Control – Coach U.S.A. Inc. et al.* (served July 22, 1999).

With operations in several countries, Stagecoach is one of the world's largest providers of passenger transportation services through the operation of bus and train services. Stagecoach also has been a leader in providing transit services pursuant to privatization programs.

Stagecoach's transportation business is conducted through a series of operating divisions. Its U.K. Bus Division currently operates around 7,000 buses and coaches through several regional bus companies in the U.K. The Rail Division operates rail franchises in the U.K. In addition, Stagecoach participates in a joint venture known as Virgin Rail Group Limited, which operates rail franchises in the U.K. Stagecoach-controlled passenger transportation companies in the United States operate approximately 2,400 buses.

For the fiscal year ended April 30, 2009, Stagecoach had total revenues of over \$3 billion. Stagecoach is listed on the London Stock Exchange, and employs about 30,000 persons.

Stagecoach Transport Holdings plc and SCUSI Ltd. (the "Intermediate Subsidiaries") are wholly owned subsidiaries of Stagecoach. Stagecoach Transport Holdings plc is organized under the laws of Scotland. SCUSI Ltd. is organized under the laws of England and Wales. Each is headquartered at the same address at which Stagecoach is located. While neither is itself a carrier, each is a holding company that controls the same carriers controlled by Stagecoach and Coach. Stagecoach Transport

Holdings plc owns SCUSI Ltd., which in turn owns Coach USA Administration, Inc., a Nevada non-carrier holding company and the direct corporate parent of Coach USA, Inc.

Coach USA is a Delaware corporation with headquarters at 160 S. Route 17 North, Paramus, NJ, 07652. It is not a regulated carrier, but controls numerous motor passenger carriers (“Operating Carriers”) that hold federally-issued interstate operating authority. Coach USA’s control of the federally-authorized carriers has been exempted or approved by the Board in numerous previous proceedings. By virtue of its control of the Operating Carriers, Coach USA has been able to offer those Carriers the variety of financial and management benefits described in its prior control petitions and applications, and discussed further below. The annual gross operating revenues for the Operating Carriers for the twelve month period ended with the date of this Application far exceed the \$2 million threshold for Board jurisdiction.

IBS is one of the Operating Carriers. It focuses its operations in the New York/New Jersey area. IBS holds DOT Number 203061 and operates as a motor common and contract carrier of passengers under authority issued to it by FMCSA or its predecessor in Docket MC-155937. Among other services, IBS operated under the trade name Gray Line New York, providing various transportation and tour services under that trade name. Those services are now provided through Twin America using double-decker buses and other vehicles contributed to Twin America by IBS.<sup>1</sup>

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<sup>1</sup> Twin America licenses certain intellectual property from Gray Line New York Tours, Inc., another Coach USA controlled entity.

**B. The City Sights Applicants**

City Sights Twin is a non-carrier entity formed for the purpose of owning an interest in Twin America. City Sights Twin is owned by Zev Marmurstein, an individual.

**C. Twin America, LLC**

Twin America is an LLC whose business address is 49 W 45<sup>th</sup> Street, New York, NY 10036. Twin America conducts tourism transportation operations in New York City using double-decker buses, among other vehicles, provided by its members and drivers employed by its members to operate the buses. Approximately fifteen percent of the sales of these tours is made on the websites of the members of Twin America, LLC to persons located outside of New York. Thus, Twin America services are marketed across the United States and around the world. Specifically, Twin America sells its services through separate Internet sites maintained by IBS (under the Gray Line New York trade name) and City Sights Twin. Thus, a significant percentage of the persons who use the transportation services provided by Twin America are travelers from other points.<sup>2</sup>

As noted above, Twin America regularly transports passengers from hotels in New Jersey to New York City as part of its tourism transportation services and conducts occasional interstate charter operations with its own vehicles between the New York City area and other states. Twin America is also involved in various arrangements with other carriers to provide Twin America transportation to passengers traveling in interstate commerce. These arrangements include: the sale of Twin America transportation jointly with transportation provided by Peter Pan to its customers traveling from certain New

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<sup>2</sup> Twin America's services provided to such persons are therefore conducted in interstate commerce. See *Chao v. First Class Coach Co.*, 214 F.Supp. 2d 1263, 1266 (M.D. FL 2001).

England points, allowing those passengers to purchase the transportation offered by both carriers in a single transaction. See

<http://www.showbustours.com/broadway/NYCDT.html>, which is accessed through

<http://www.peterpanbus.com/charters-and-showbus/charters.php>

In addition to the above arrangements, passengers traveling to New York City on Megabus (an interstate bus company that is controlled by Coach USA and which operates to/from several Northeast and Middle Atlantic cities) can obtain discount coupons for use on Twin America buses when purchasing interstate transportation on the Megabus website. See [www.megabus.com](http://www.megabus.com). Similarly, such discount coupons for Twin America buses are offered to air transport passengers traveling to New York City from Newark Airport on Olympia Trails, another interstate bus carrier controlled by Coach USA. Also, discounted Twin America transportation is offered to passengers of New York Airport Service, a New York airport van service that is controlled by City Sights, who have arrived at New York airports from out-of-state. And, in yet another arrangement for interstate transportation, Twin America transportation can be purchased as part of vacation packages offered by Southwest Airlines to customers traveling to New York City from out-of-state via that airline. See

<http://www.southwestvacations.com/specials/detail.asp?xmlfile=FS0445>

The buses contributed to Twin America by IBS are garaged and maintained in New Jersey. Each day, those buses travel from New Jersey to New York City, and then back to New Jersey for garaging.

Both IBS and City Sights Twin have contributed management personnel to Twin America. Those personnel manage the Twin America operations from offices in New York and Coach America offices in Paramus, New Jersey.

### **III. JURISDICTIONAL STATEMENT**

The carrier applicants have earned operating revenues well in excess of \$2 million during the twelve-month period preceding the date of this application. Accordingly, the jurisdictional threshold is met with respect to the acquisition of control that is the subject of this Application.

Further, it is well settled that the Board has jurisdiction over this entire Transaction, including both the interstate and intrastate elements of Twin America's operations. *See Global Passenger Services, LLC – Control – Bortner Bus Company, et al*, MC-F- 20924 (served July 17, 1998) at 3, fn. 11 (STB asserts exclusive jurisdiction over transaction involving control of carrier engaged exclusively in single-state transportation because arrangements with other carriers involving passengers traveling to or from a point in another state constituted interstate commerce); *Colorado Mountain Express, Inc., and Airport Shuttle Colorado, Inc., d/b/a Aspen Limousine Service, Inc. -- Consolidation and Merger -- Colorado Mountain Express*, STB No. MC-F-20902 (served Feb. 28, 1997) at 3 (“Once interstate jurisdiction over the motor passenger carrier participants is established under 49 U.S.C. 13501, Federal law under 49 U.S.C. 14303(f) specifically preempts any state action that would interfere with the consummation of a Board approved or exempted merger, consolidation, or acquisition of control, regardless of the extent of the participating carriers' operations in intrastate commerce.”)

#### **IV. OPERATING RIGHTS**

Twin America is in the process of applying to FMCSA for operating authority to operate as an interstate motor charter carrier of passengers. A copy of the operating authority issued to Twin America will be supplied to the Board upon issuance.

#### **V. GRANTING THIS APPLICATION IS CONSISTENT WITH THE PUBLIC INTEREST**

The Board is required to approve the proposed transaction if it finds that the transaction is consistent with the public interest. 49 U.S.C. § 14303(b). In making its public interest determination, the Board is obligated to consider (1) the effect of the proposed acquisition of control on the adequacy of service to the public, (2) the impact on total fixed charges and (3) the interests of carrier employees. Judged by each of these factors, granting this Application would be consistent with the public interest.

Twin America was formed in March 2009 in recognition of the fact that IBS and CitySights LLC, the previous operator of transportation services now provided by City Sights Twin, were both operating in a challenging economic environment and facing a declining revenue base due to a drop-off in tourism in the New York City area and increased fuel and other costs. In the face of cost pressures, the two companies determined that they could achieve significant economies and cost savings by combining their assets under common management and combining their purchasing activities. Through the Twin America entity, they already have been able to achieve economies of scale savings in the purchase of fuel and spare parts. They also plan, once existing contracts have expired, to attain such savings in advertising costs and in insurance costs, which are quite substantial in New York City. The greater size and the combined

purchasing operations of the combined entity will allow it to achieve these and other savings, just as other Coach USA Operating Carriers have similarly achieved such savings as a result of being part of the Coach USA group of carriers. In addition, Twin America expects to achieve additional savings through synergies attained by eliminating duplicative “back office” administrative functions, including accounting, sales and IT functions.

The initial synergies attained through the Transaction are beginning to bear fruit in the face of general economic circumstances that have continued to be challenging given the nationwide recession and the continued deterioration in tourism spending and travel generally. Notwithstanding these challenges, Twin America has been able to maintain the high level of service offered to the public previously by its two member entities, without any significant reduction in its offerings. Further, the Transaction will have no adverse impact on the level of debt held by Twin America or its members or on the ability of Twin America to repay that debt.

The impact of the Transaction on employees has been marginal to date and limited to administrative “back office” personnel. Twin America is hopeful of an improvement in the tourist business in the coming months and any such improvement will be beneficial to the interests of employees.

Although both IBS and CitySights LLC offered competing tourism transportation services, the combined Twin America operation (which is currently held out in the trade names of the member companies) faces competition from a variety of sources. For example, there are other tour bus and limousine operators in New York City, including among others Big Taxi Tours, On Board New York Tours, Gordon’s Guide Tours, the

Party Ride and My New York Party Bus.com. These entities operate a variety of different New York City tour operations, including (in the case of Big Taxi) double-decker bus transportation services. There are also a variety of walking tours, boat tours, bicycle tours, horse and carriage tours, helicopter tours, Segway tours, and other tourist opportunities in New York. Twin America competes with each of these services.

Further, barriers to entry into the bus business are low. Permitting requirements are relatively modest and thus new businesses can and do emerge operated by persons who are able to acquire, by lease or other means, equipment and drivers. In fact, when CitySights LLC entered the market, it grew from eight buses to seventy buses within just four years. As the STB and the ICC before it have recognized, the bus industry is characterized by numerous competitors and low entry barriers which, combined with strong intermodal competition, eliminates any realistic opportunity for predation or monopoly pricing. *See GLI Acquisition Company – Purchase – Trailways Lines, Inc.*, 4 I.C.C.2d 591, 600-01 (1988) (describing the bus industry's relatively small share of a competitive passenger transportation market dominated by other modes, particularly the private automobile). As the Board concluded at page 6 of its decision in another Coach USA proceeding:

With the low entry barriers and the pervasive intramodal and intermodal competition that characterizes the bus industry, most opportunities for abuse of market power are effectively foreclosed.<sup>3</sup>

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<sup>3</sup> *See, e.g., Notre Capital Ventures II, LLC and Coach USA, Inc. -- Control Exemption -- Arrow Stage Lines, Inc.; Cape Transit Corp.; Community Coach, Inc.; Community Transit Lines, Inc.; Grosvenor Bus Lines, Inc.; H.A.M.L. Corp.; Leisure Time Tours; Suburban Management Corp.; Suburban Trails, Inc.; and Suburban Transit Corp.*, STB

*See also Coach USA, Inc. -- Control Exemption -- American Sightseeing Tours, Inc.; California Charters, Inc.; Texas Bus Lines, Inc.; Gulf Coast Transportation, Inc.; and K-F Contract Services, Inc.*, STB Finance Docket No. 33073 (served Nov. 8, 1996) (*Coach/American*) at 5 ("By allowing the carriers to rationalize and make the most productive use of their resources, while eliminating duplicative functions, an exemption will encourage sound economic conditions in transportation, including sound economic conditions among carriers.").

More recently, in response to the complaint of a competitor concerning the acquisition of several formerly competing motor carrier operators by Peter Pan Bus Lines the Board stated as follows:

In addition to Entertainment's competing service, other factors limit Peter Pan's ability to raise fares. As the ICC stated in *GLI Acquisition*, "where the barriers to entry are virtually non-existent, potential entry, together with intermodal competition, exerts pressure on existing firms to price reasonably." In other words, the threat of entry by new competitors and competition from other modes of passenger transportation are sufficient to keep bus fares low. If Peter Pan were to charge customers excessively high rates, as Entertainment predicts, other motor passenger carriers would recognize an opportunity to profit by entering the market and providing service to those customers at a lower rate (as Entertainment has done), or those customers might decide to travel by another mode of transportation, such as rail, air, or private automobile. Thus, it is in Peter Pan's own best interest to keep fares reasonable.

*Peter Pan Bus Lines Trust -- Purchase and Acquisition of Control -- Arrow Line Acquisition, LLC. et al.*, STB Docket No. MC-F-20995 (Served May 12, 2003) at 5.

It bears note that not only has the Board consistently approved control transactions of this nature between competing bus companies, but that it has also approved pooling agreements among competing bus companies, authorizing these companies to pool traffic

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Finance Docket No. 32876 (Sub No. 1) (served May 3, 1996) (*Coach/Arrow*).

and revenue. In doing so, the Board has recognized that the bus industry barriers to entry are low and that bus companies face significant competition from other modes. *See, e.g., Peter Pan Bus Lines, Inc – Pooling – Greyhound Bus Lines, MC-F-20908* (served April 29, 1998) (allowing pooling agreement between the only two bus companies serving the New York-Washington market at the time, over the objection of the Antitrust Division of the U.S. Department of Justice). In the cited case, the Board found at page 6 as follows:

Applicants have also demonstrated that the proposed pooling arrangement will not unreasonably restrain competition. While DOJ argues that under its Guidelines there is a substantial likelihood that the proposed pooling arrangement will unduly restrain competition, it has not explained why the market between New York and Washington is so unique that new bus companies would not be able to enter and other modes of passenger transportation would not act as a restraint on the ability of the pooled companies to raise bus fares above competitive levels. Indeed, if any market would be conducive to entry it would be this one, as demonstrated by the successful entry of Peter Pan. Similarly, the competitive intermodal alternatives between these two major cities far exceed those of most passenger markets throughout the country.<sup>4</sup>

So here, Twin America already faces significant competition from numerous other tour oriented transportation services, and the very likely prospect of new entrant competitors.

Finally, Board approval of this Application will allow the acquisition of control of Twin America without the approval or interference of state regulatory authorities, thus relieving the parties from potentially burdensome requirements. *See* 49 U.S.C. 14303(f) (providing that parties to approved transactions may effectuate such transactions and

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<sup>4</sup> In recognition of DOJ's opposition to the pooling agreement, the STB imposed an unprecedented fare reporting requirement on the two carriers for a period of three years. That reporting has long expired and the pooling agreement remains in place, as far as Applicants are aware. In fact, the New York – Washington market has seen the anticipated new entry and is now served by several intercity bus carriers, including one controlled by Coach USA, i.e., Megabus.

exercise control without the approval of any state authorities and exempts the parties to the transaction from the application of federal, state, and municipal law as necessary to allow them to carry out the transaction); *Coach/Arrow* at 7 (finding that issuance of an exemption "will insulate petitioners from burdensome State regulations applicable to intrastate operating authorities and leave them with greater resources to support existing and future transportation services"); *Coach/American* at 6 (same).<sup>5</sup>

In regard to state regulation, the Board should be aware that on July 31, 2009 the New York State Attorney General's office served subpoenas *duces tecum* on Gray Line New York Tours, Inc., Gray Line Twin, LLC, CitySights LLC, City Sights New York LLC, City Sights Daily LLC, and Twin America inquiring into information concerning the operations of those entities, the formation of Twin America and related matters.

Applicants submit that the Transaction is subject to the Board's exclusive jurisdiction and will be pursuing that issue with the New York Attorney General. However, a grant of this Application will not only comport with the requirements of section 14303, but underscore

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<sup>5</sup> See *Colorado Mountain Express, Inc., and Airport Shuttle Colorado, Inc., d/b/a Aspen Limousine Service, Inc. -- Consolidation and Merger -- Colorado Mountain Express*, STB No. MC-F-20902 (served Feb. 28, 1997) (Board approval of bus merger under section 14303 preempts state laws concerning transfer of intrastate operating authority held by merged carrier). See also *Board of Trustees of Trucking Employees v. Centra*, 983 F.2d 495, 503 (3d Cir. 1992) ("federal law preempts any state law that might purport to require state approval before the transfer of stock or interstate operating authority may occur"); *Washington Trucking Inc. -- Purchase Exemption -- Maddox Transfer*, 7 I.C.C. 2d 372, 378-80 (1991), *aff'd*, *Oregon Pub. Util. Comm'n v. ICC*, 979 F.2d 778, 780-81 (9th Cir. 1992); *Herman Bros., Inc. -- Purchase Exemption -- Thompson Truck Line*, 7 I.C.C. 2d 382, 386-87 (1991), *aff'd*, *Minnesota Transp. Regulation Bd. v. ICC*, 966 F.2d 335, 338-39 (8th Cir. 1992) (both holding that the ICC's preemption authority under the predecessor to section 14303(f) extends to the transfer of intrastate operating rights).

the role of the Board in connection with transactions of the sort that led to the formation of Twin America."

**VI. SAFETY FITNESS CERTIFICATION**

Twin America does not yet have any safety rating.

**VII. INSURANCE COVERAGE CERTIFICATION**

Twin America maintains insurance at the present time and certifies that it will maintain sufficient insurance coverage in the manner and to the extent required by FMCSA regulations once it attains operating authority.

**VIII. CERTIFICATION OF DOMICILE**

No Party to the Transaction is domiciled in Mexico or owned or controlled by citizens of that country.

**IX. THE PROPOSED ACQUISITION WILL NOT HAVE A SIGNIFICANT ENVIRONMENTAL IMPACT**

This Application contemplates only the formation of a new entity to assume control of pre-existing operating assets. Thus, there will be no significant operational changes or adverse environmental impacts as a result of the acquisition of control that is the subject of this Application. *See* 49 C.F.R. § 1182.3(1)(6). Accordingly, as the Board has found with respect to previous transactions of this nature, there will be no significant effect on the quality of the human environment or the use of energy resources, and environmental regulation pursuant to 49 C.F.R. § 1105.7 is unnecessary. *Coach/Arrow* at 7; *Coach/American* at 6.

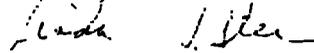
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" Applicants will supply a copy of this Application to the New York Attorney General's office.

## CONCLUSION

The Board should grant this Application for all of the reasons described above.

Respectfully submitted,



David H. Coburn

Linda Stein

STEPTOE & JOHNSON LLP

1330 Connecticut Avenue, N.W.

Washington, D.C. 20036

(202) 429-3000

Attorneys for Applicants Stagecoach Group plc;  
Stagecoach Transport Holdings plc.; SCUSI Ltd.;  
Coach USA Administration, Inc.; Coach USA, Inc.;  
International Bus Services, Inc.; City Sights Twin,  
LLC; Zev Marmurstein; and Twin America, LLC

August 19, 2009

**CERTIFICATE OF SERVICE**

I certify that I have this 19<sup>th</sup> day of August 2009 served a copy of the foregoing

Verified Application by hand delivery on:

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

Premerger Notification  
Office  
Bureau of Competition  
Room 303  
Federal Trade Commission  
600 Pennsylvania Ave., NW  
Washington, D.C. 20580

and by first class mail, postage prepaid on:

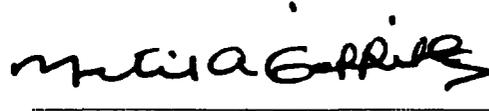
Chief, Lic. & Ins. Division  
U.S. Department of Transportation  
Federal Motor Carrier Safety Administration  
1200 New Jersey Avenue, S.E.  
Washington, D.C. 20590

New York State Department of Transportation  
Office of Safety and Security Services  
50 Wolf Road  
Albany, NY 12232-0879

  
\_\_\_\_\_  
Keith Decker

## VERIFICATION

My name is Martin Griffiths, and I am Finance Director of Stagecoach Group plc and Stagecoach Transport Holdings plc. I hereby verify under penalty of perjury, under the laws of the United States of America, that all information supplied in connection with this application, as it relates to the above-named entities, is true and correct. Further, I certify that I am qualified and authorized to file this application on behalf of those entities. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by imprisonment up to five years and fines up to \$10,000 for each offense. Additionally, these misstatements are punishable as perjury under 18 U.S.C. 1621, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.

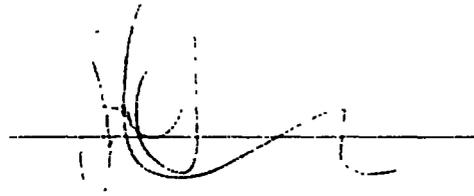


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Dated: August 17, 2009

## VERIFICATION

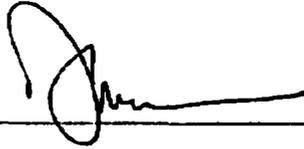
My name is John Hamilton, and I am Director of SCUSI Ltd. I hereby verify under penalty of perjury, under the laws of the United States of America, that all information supplied in connection with this application, as it relates to the above-named entity, is true and correct. Further, I certify that I am qualified and authorized to file this application on behalf of that entity. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by imprisonment up to five years and fines up to \$10,000 for each offense. Additionally, these misstatements are punishable as perjury under 18 U.S.C. 1621, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.

A handwritten signature in black ink, appearing to read "John Hamilton", is written over a horizontal line.

Dated: August 11, 2009

**VERIFICATION**

My name is Dale Moser, and I am President of Coach USA, Inc. and Coach USA Administration, Inc. I hereby verify under penalty of perjury, under the laws of the United States of America, that all information supplied in connection with this application, as it relates to the above-named entities, is true and correct. Further, I certify that I am qualified and authorized to file this application on behalf of those entities. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by imprisonment up to five years and fines up to \$10,000 for each offense. Additionally, these misstatements are punishable as perjury under 18 U.S.C. 1621, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.



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Dated: August 17, 2009

## VERIFICATION

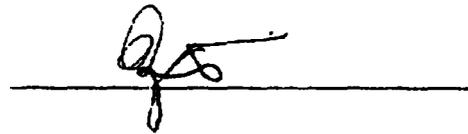
My name is Tom Lewis, and I am President of International Bus Services, Inc. I hereby verify under penalty of perjury, under the laws of the United States of America, that all information supplied in connection with this application, as it relates to the above-named entity, is true and correct. Further, I certify that I am qualified and authorized to file this application on behalf of those entities. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by imprisonment up to five years and fines up to \$10,000 for each offense. Additionally, these misstatements are punishable as perjury under 18 U.S.C. 1621, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.

A handwritten signature in black ink, reading "Tom Lewis", is written over a horizontal line. The signature is cursive and includes a large loop at the end.

Dated: August 18, 2009

## VERIFICATION

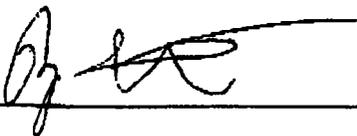
My name is Zev Marmurstein, and I am President of City Sights Twin, LLC. I hereby verify under penalty of perjury, under the laws of the United States of America, that all information supplied in connection with this application, as it relates to me and to the above-named entity, is true and correct. Further, I certify that I am qualified and authorized to file this application on behalf of that entity. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by imprisonment up to five years and fines up to \$10,000 for each offense. Additionally, these misstatements are punishable as perjury under 18 U.S.C. 1621, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.



Dated: August 8, 2009

## VERIFICATION

My name is Zev Marmurstein, and I am President of Twin America, LLC. I hereby verify under penalty of perjury, under the laws of the United States of America, that all information supplied in connection with this application, as it relates to the above-named entity, is true and correct. Further, I certify that I am qualified and authorized to file this application on behalf of those entities. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by imprisonment up to five years and fines up to \$10,000 for each offense. Additionally, these misstatements are punishable as perjury under 18 U.S.C. 1621, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.



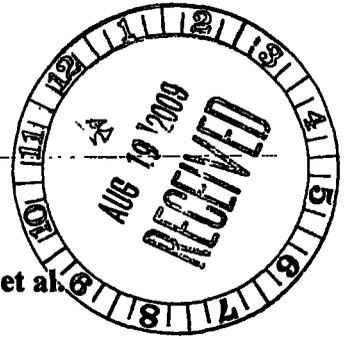
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Dated: August 17, 2009

**SURFACE TRANSPORTATION BOARD**

**FINANCE DOCKET NO. MC-F-21035**

**STAGECOACH GROUP PLC AND COACH USA, INC., et al.  
– CONTROL – TWIN AMERICA, LLC**



**AGENCY: SURFACE TRANSPORTATION BOARD**

**ACTION: Notice Tentatively Approving Finance Application**

**SUMMARY:** Stagecoach Group plc (Stagecoach) and its subsidiary, Coach USA, Inc. (Coach USA), non-carriers, and various subsidiaries of each, together with Zev Marmurstein, City Sights, LLC and City Sights Twin, LLC (collectively, Applicants), filed an application in STB Docket No. MC-F-21035 under 49 U.S.C. 14303 for control of the Twin America, LLC (Twin America), which is owned by co-applicants International Bus Services, Inc., a wholly-owned subsidiary of Coach USA, and City Sights Twin, LLC. Applicants state that currently Twin America does not hold federally issued authority, but that it is engaged in motor passenger operations in interstate commerce and has filed for federal operating authority. 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 transaction, and, if no opposing comments are timely filed, this notice will be the final Board action.

**DATES:** Comments are due by \_\_\_\_\_, 2009. Applicants may file a reply by \_\_\_\_\_, 2009. If no comments are filed by \_\_\_\_\_, 2009, this notice is effective on that date.

**ADDRESSES:** Send an original and 10 copies of comments referring to STB Docket No. MC-F-21035 to: Surface Transportation Board, Office of the Secretary, Case Control Branch, 1925 K Street, N.W., Washington, D.C. 20423-0001. In addition, send one copy of comments to Applicants' representative: David H. Coburn, Steptoe & Johnson LLP, 1330 Connecticut Avenue, N.W., Washington, D.C. 20036.

**FOR FURTHER INFORMATION CONTACT:** \_\_\_\_\_. [Federal Information Relay Service (FIRS) for the hearing impaired: 1-800-877-8339]

**SUPPLEMENTARY INFORMATION:** Stagecoach is a public limited corporation organized under the laws of Scotland. Stagecoach is one of the world's largest providers of passenger transportation services. It had annual revenues for the fiscal year ending April 30, 2009 of over \$3 billion. Stagecoach and its subsidiaries currently control Coach USA.<sup>1</sup> Coach USA is a

<sup>1</sup> See Stagecoach Holdings PLC — Control — Coach USA, Inc., et al., STB Docket No. MC-F-20948 (STB served July 22, 1999). Stagecoach currently controls Coach USA through

Delaware corporation that currently controls several motor passenger carriers. The motor carriers controlled by Coach had gross operating revenues for the 12-month period ending with the date of this application greater than the \$2 million threshold required for Board jurisdiction. Mr. Zev Marmurstein owns several carrier and non-carrier entities, including City Sights LLC and City Sights Twin, LLC.

Twin America, LLC is a two member LLC formed and owned by International Bus Services, Inc., a Coach USA-controlled carrier and City Sights Twin, LLC, a non-carrier. Twin America, which is based in New York, NY, currently provides tour and sightseeing services, including to points outside New York. It also has filed an application for authorization from the Federal Motor Carrier Safety Administration to operate as a motor common carrier of passengers and intends to operate charter services under the authority it is requesting.

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.

Applicants have submitted information, as required by 49 CFR 1182.2, to demonstrate that the proposed acquisition of control is consistent with the public interest under 49 U.S.C. 14303. Applicants state that the proposed transaction will not reduce competitive options, adversely impact fixed charges, or adversely impact the interests of employees. They assert that granting the application will allow Twin America to continue to take advantage of economies of scale and substantial benefits offered by Applicants, including 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.

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.

Board decisions and notices are available on our website at "WWW.STB.DOT.GOV."

The decision will not significantly affect either the quality of the human environment or the conservation of energy resources.

*It is ordered:*

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various co-applicant subsidiaries, namely, Stagecoach Transport Holdings plc; SCUSI Ltd. and Coach USA Administration, Inc.

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 \_\_\_\_\_, 2009, 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, Room 8214, 400 7<sup>th</sup> Street, S.W., Washington, DC 20590; (2) the U.S. Department of Justice, Antitrust Division, 10<sup>th</sup> Street & Pennsylvania Avenue, N.W., Washington, DC 20530; and (3) the U.S. Department of Transportation, Office of the General Counsel, 400 7<sup>th</sup> Street, S.W., Washington, DC 20590.

Decided: \_\_\_\_\_, 2009

**By the Board, Acting Chairman Mulvey and Vice Chairman Nottingham.**

**Anne K. Quinlan  
Acting Secretary**