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221817

March 13, 2008



**Via HAND DELIVERY**

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

**Re: MC-F-21027, Stagecoach Group plc and Coach USA, Inc., et al. --  
Control – Megabus Northeast 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 for control under 49 U.S.C. § 14303 of Megabus Northeast 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 \$1,700 for payment of the filing fee in this matter.

Thank you for your attention to this matter.

Respectfully,

David H. Coburn  
Attorney for Applicants

**FEE RECEIVED**

MAR 13 2008

**SURFACE  
TRANSPORTATION BOARD**

**FILED**

MAR 13 2008

**SURFACE  
TRANSPORTATION BOARD**

**ENTERED**  
Office of Proceedings

MAR 13 2008

Part of  
Public Record

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

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**STB DOCKET NO. MC-F-21027**

**STAGECOACH GROUP PLC AND COACH USA, INC., et al.  
-- CONTROL -- MEGABUS NORTHEAST LLC**

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**VERIFIED APPLICATION FOR CONTROL OF  
MOTOR PASSENGER CARRIER**

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(202) 429-3000

Attorneys for Stagecoach Group plc;  
Stagecoach Transport Holdings plc;  
SCUSI Ltd.; Coach USA  
Administration, Inc.; Coach USA,  
Inc. and Megabus Northeast LLC

March 13, 2008

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

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**VERIFIED APPLICATION FOR CONTROL OF  
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Pursuant to 49 U.S.C. § 14303 and the Board's rules at 49 CFR Part 1182, Stagecoach Group PLC ("Stagecoach") and Coach USA, Inc. ("Coach"), both non-carriers that control motor passenger carriers, together with related co-applicants, seek authority to control Megabus Northeast LLC ("Megabus Northeast"), a Delaware limited liability company that will be applying to the Federal Motor Carrier Safety Administration ("FMCSA") to become a federally-regulated motor common carrier of passengers. Megabus Northeast is not at present a motor carrier. Verification statements executed by each of the parties to this Application attesting to the facts set forth in the Application are attached.

**I. INTRODUCTION AND DESCRIPTION OF TRANSACTION**

The Board has previously approved the control of several regulated motor carriers by Stagecoach, Coach USA and certain intermediate subsidiaries ("Applicants"), including Megabus USA LLC ("Megabus USA").<sup>1</sup> Megabus USA is a currently-

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<sup>1</sup> STB MC-F-21016, *Stagecoach Group plc and Coach USA, Inc., et al – Control --- Megabus USA, Inc* (served June 13, 2006).

operating motor passenger carrier that provides scheduled bus service between various cities in the Midwest out of an operating base in Chicago Megabus USA also offers the Megabus service between Los Angeles and certain other points in California and Nevada. Megabus offers a high quality, low cost bus service that operates non-stop services between major cities under the "Megabus.com" trade name, with all sales made through the megabus.com website.

Coach USA is currently planning to expand Megabus regular route operations into the Northeast and Middle Atlantic states. Initially, this service may be provided by Megabus USA, but in that event Megabus Northeast would assume responsibility for conducting these operations in the Northeast and Middle Atlantic states once it has attained the requisite operating authority from FMCSA and control authorization from the Board. Passengers would not see any difference between the service offered by Megabus USA and Megabus Northeast; the turnover in the service from Megabus USA to Megabus Northeast would be seamless Megabus USA will continue to provide the Megabus service outside the Northeast/Middle Atlantic region.

Approval of this Application is consistent with the public interest standard set forth in 49 U.S.C. § 14303(b). As a result of the common control that would result were this Application granted, Megabus Northeast will be able to take full advantage of resources and services offered by the Applicants, as well as economies of scale, enabling it to offer transportation service more efficiently and at lower cost. Further, approval of the control authority sought here would not reduce competitive options, or adversely impact either fixed charges or the interests of employees.

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

The parties to this transaction are as follows:

### **A. Stagecoach Group PLC and the Intermediate Subsidiaries**

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 USA, 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 8,000 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 3000 buses.

For the fiscal year ended April 30, 2007, 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.

**B. Coach USA, Inc./Independent Bus Company, Inc.**

Coach USA is a Delaware corporation with headquarters at 160 S. Route 17, 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.

Independent Bus Company, Inc. is a wholly owned subsidiary of Coach USA. Independent Bus is a motor carrier of passengers authorized by FMCSA in Docket No. 168548 to operate scheduled bus service in the New York/New Jersey area. Independent Bus is a New Jersey corporation headquartered at 349 First Street, Elizabeth, NJ 07206. Stagecoach and Coach USA attained control of Independent Bus in STB Finance Docket No. MC-F-20975, *Stagecoach Holdings plc and Coach USA, Inc. et al. -- Control -- B&B Bus Corporation, et al* (served Jan. 11, 2001). Independent Bus holds all of the ownership units in Megabus USA LLC, a motor carrier of passengers, and in Megabus Northeast LLC.

**C. Megabus Northeast**

Megabus Northeast LLC is currently a non-carrier limited liability corporation that maintains its principal place of business at the same address as Independent Bus. When Megabus Northeast receives FMCSA authorization to operate as a motor common carrier of passengers and initiates such operations, it will utilize a fleet of motorcoaches to provide high-quality, scheduled express bus service over regular routes between New York and the several cities in the Northeast and Middle Atlantic states, including Washington and Boston.

As with the current service being offered by Megabus USA, Megabus Northeast will sell all of its tickets over the Internet at the Megabus.com website. It will offer bus travel at fares generally lower than those commonly offered by incumbent carriers on the same routes. Megabus Northeast also will use modern buses owned by Coach Leasing, Inc., an affiliated entity, and will utilize drivers employed by Megabus Northeast and/or

other Coach USA-controlled companies. To date, Megabus Northeast has no operating revenues.

### **III. JURISDICTIONAL STATEMENT**

Coach and the carriers it controls 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.

### **IV. OPERATING RIGHTS**

A copy of the federal operating authority issued to Megabus Northeast will be submitted to the Board once that authority has been issued by FMCSA.

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

The Board is required to approve the proposed acquisition of control of Megabus Northeast if it finds that such control by Stagecoach and Coach USA 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.

As a result of the proposed acquisition of control of Megabus Northeast, that entity, once it becomes a carrier, will attain substantial operational and efficiency advantages that will, in turn, accrue to the benefit of the traveling public and minimize the fixed charges incurred by Megabus Northeast. These advantages are the same as

those which have accrued, and will continue to accrue, to each of the carriers currently controlled by Coach USA over the course of the past several years. As described in the Board's prior decisions concerning Coach USA's acquisition of control of other bus carriers, these benefits include access to greater capital resources, favorable restructuring of debt, substantial interest cost savings, and reduced operating costs resulting from Coach USA's enhanced volume purchasing power.<sup>2</sup> For example, the carriers benefit from the lower insurance premiums that Coach USA has been able to negotiate, as well as from Coach USA's ability to achieve volume discounts on the purchase of equipment and fuel. It is fully anticipated that Megabus Northeast will attain these same benefits and that its fixed charges will be lower than they would be absent control by Stagecoach and Coach USA.

Coach USA also will provide certain management services for the benefit of Megabus Northeast. These services would include centralized legal and accounting functions and coordinated purchasing services. In addition, vehicle sharing arrangements may be facilitated to ensure maximum utilization and operational efficiency of equipment. Coordinated driver training services will also be provided.

In addition, Coach USA will develop financial plans and coordinate other short and long term operational strategies best designed to meet the specific and unique needs of Megabus Northeast. For example, a database of the assets, including the motorcoach

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<sup>2</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 Finance Docket No. 32876 (Sub No. 1) (served May 3, 1996) ("*Coach/Arrow*"); *Coach USA, Inc. -- Control Exemption -- American Sightseeing Tours, Inc., California Charters, Inc., Texas Bus Lines, Inc., Gulf Coast Transportation, Inc., and K-T Contract Services, Inc.*, STB Finance Docket No. 33073 (served Nov. 8, 1996) ("*Coach/American*").

vehicles, operated by the carriers will be maintained. Access to this database will allow Megabus Northeast to deploy vehicles more effectively, resulting in more timely and efficient service to the traveling public. The safety and compliance programs of Megabus Northeast will be coordinated with other Coach USA carriers, with the objective of maintaining, and improving, safety performance levels for each of those carriers.

The proposed acquisition of control will not reduce competitive transportation options available to the traveling public. Megabus Northeast is a new entity and its entry into the market as a separate corporate entity will maintain or enhance competition. In addition, Megabus Northeast will face substantial competition from other bus companies (including Greyhound), private vehicles and other transportation modes in its interstate operations, just as do the entities whose assets they will operate. Thus, the traveling public will have numerous transportation options following any acquisition of control that the Board may approve. 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 G.I. Acquisition Company – Purchase – Trailways Lines, Inc., 4 I.C.C.2d 591, 600-01 (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 *Coach/Arrow*.

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.

*See also Coach/American* at 5.

It is not anticipated that any carrier employees will suffer any substantial adverse impacts from the proposed acquisition of control. Megabus Northeast will benefit from its association with Coach USA, and in turn its ability to draw on greater resources than might otherwise be available to a new bus company.

Finally, Board approval of this Application will allow the acquisition of control of Megabus Northeast to be accomplished without the involvement of any state regulatory authorities, thus relieving the parties from potentially burdensome regulatory requirements. *See* 49 U.S.C. 14303(f), which provides that parties to approved transactions may effectuate such transactions and 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. *See 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>3</sup>

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<sup>3</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)

## **VI. SAFETY FITNESS CERTIFICATION**

Megabus Northeast, as a new entity, holds no safety rating issued by the U.S Department of Transportation. It will apply for a DOT number and will undergo all required safety audits applicable to new carriers.

## **VII. INSURANCE COVERAGE CERTIFICATION**

Megabus Northeast hereby certifies that it will have sufficient insurance coverage under 49 U.S.C. § 10927 for the motor passenger service it will provide and evidence of such insurance by means of appropriate filing with FMCSA.

## **VIII. CERTIFICATION OF DOMICILE**

Megabus Northeast hereby certifies that it is not domiciled in Mexico nor owned or controlled by persons of that country.

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

This Application contemplates only assumption of control of a newly formed carrier that will provide regular route bus services, including on routes that might already be served by an affiliated company at the time Megabus Northeast initiates operations. 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 Coach USA acquisitions, 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.

## **CONCLUSION**

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

Respectfully submitted,



Betty Jo Christian

David H. Coburn

STEPTOE & JOHNSON LLP

1330 Connecticut Avenue, N.W.

Washington, D.C. 20036

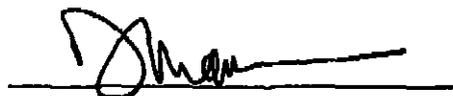
(202) 429-3000

Attorneys for Stagecoach Group plc;  
Stagecoach Transport Holdings plc.; SCUSI  
Ltd.; Coach USA Administration, Inc ;  
Coach USA, Inc , Independent Bus  
Company, Inc. and Megabus Northeast LLC.

March 13, 2008

## 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.

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

Dated: March 17, 2008

## VERIFICATION

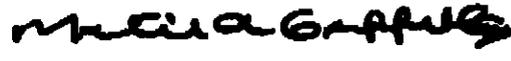
My name is Don Carmichael, and I am Vice President of Independent Bus Company, Inc. and Vice President and Manager of Megabus Northeast LLC. I hereby verify under penalty of perjury, under the laws of the United States of America, that all information supplied in connection with this application, as it relates to the above-named 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.

A handwritten signature in black ink, appearing to be "Don Carmichael", is written over a horizontal line. The signature is stylized and somewhat cursive.

Dated: March 17, 2008

## 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: March 13, 2008

## VERIFICATION

My name is Nicola Salmond, 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 "N. Salmond", written over a horizontal line. The signature is cursive and includes a large, sweeping flourish at the end.

Dated: March 13, 2008

## **CERTIFICATE OF SERVICE**

I certify that I have this 13<sup>th</sup> day of March 2008 served a copy of the foregoing

Verified Application for Control of Motor Passenger Carrier by hand delivery on:

Director of Operations  
Antitrust Division  
U.S. Department of Justice  
601 D Street, N.W., Room 1013  
Washington, D C.

Premerger Notification  
Office  
Bureau of Competition  
Room 303  
Federal Trade Commission  
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 Jersey Department of Transportation  
1035 Parkway Avenue, CN 611  
Trenton, NJ 08625

Connecticut Department of Transportation  
Bureau of Public Transportation  
2800 Berlin Turnpike  
P.O. Box 317546  
Newington, CT 06131-7546

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

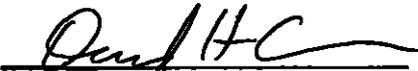
Maryland Public Utilities Commission  
Transportation Division  
6 St. Paul Street, 18th Floor  
Baltimore, MD 21202

**Massachusetts Department of Public Utilities  
Transportation Oversight Division  
One South Station  
Boston, MA 02110**

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

**Pennsylvania Public Utilities Commission  
Bureau of Transportation and Safety  
P.O. Box 3265  
Harrisburg, PA 17105-3265**

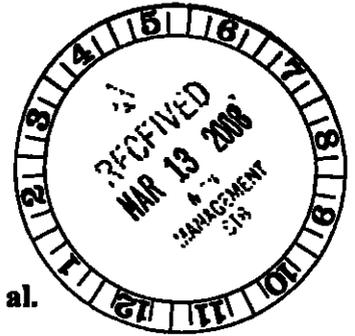
**Rhode Island Public Utilities Commission  
Motor Carrier Division  
89 Jefferson Boulevard  
Warwick, RI 02888**

  
\_\_\_\_\_  
David H. Coburn

**SURFACE TRANSPORTATION BOARD**

**FINANCE DOCKET NO. MC-F-21027**

**STAGECOACH GROUP PLC AND COACH USA, INC., et al.  
- CONTROL - MEGABUS NORTHEAST 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 (collectively, applicants), filed an application in STB Docket No. MC-F-21027 under 49 U.S.C. 14303 for control of the newly created Megabus Northeast LLC (Megabus Northeast), which is wholly-owned by co-applicant Independent Bus Company, Inc., a wholly-owned subsidiary of Coach USA. Applicants state that currently Megabus Northeast does not hold federally issued authority. This application is filed on the premise that Megabus Northeast actually obtains the authority it seeks. 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 \_\_\_\_\_, 2008. Applicants may file a reply by \_\_\_\_\_, 2008. If no comments are filed by \_\_\_\_\_, 2008, this notice is effective on that date.

**ADDRESSES:** Send an original and 10 copies of comments referring to STB Docket No. MC-F-21027 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, 2007 of over \$3 billion. Stagecoach and its subsidiaries currently control Coach USA.<sup>1</sup> Coach USA is a

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<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 various co-applicant subsidiaries, namely, Stagecoach Transport Holdings plc; SCUSI Ltd. and

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.

Megabus Northeast is currently a noncarrier, but plans to seek authorization from the Federal Motor Carrier Safety Administration to operate as a motor common carrier of passengers. Once authorization is granted, Megabus Northeast will operate scheduled bus services over regular routes in the Northeast region of the United States under the "Megabus.com" trade name, including routes between New York and Washington and between New York and Boston.

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 Megabus Northeast to take advantage of economies of scale and substantial benefits offered by applicants, including interest cost savings and 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, and if Megabus Northeast does in fact obtain the authority as described herein, 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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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 \_\_\_\_\_, 2008, 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: \_\_\_\_\_, 2008

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

Anne K. Quinlan  
Acting Secretary