



FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. MCF 21045¹]

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 PRTS, LLC; CUSA
RAZ, LLC; Dillon’s Bus Service, Inc.; and Lakefront Lines, Inc.

AGENCY: Surface Transportation Board.

ACTION: Notice of Finance Application.

SUMMARY: On May 25, 2012, Stagecoach Group plc (Stagecoach), a noncarrier, and a
number of its noncarrier intermediate subsidiaries—Stagecoach Transport Holdings
Limited; The Integrated Transport Company Limited; Stagecoach Aviation Europe
Limited; SCOTO Limited; SCUSI Limited; Coach USA Administration, Inc.; and Coach
USA, Inc. (Coach USA)—along with various carrier and noncarrier subsidiaries of Coach
USA²—ASTI, Inc. (ASTI); Blue Bird Coach Lines, Inc. (Blue Bird Coach); K-T Contract
Services, Inc. (K-T); Utica-Rome Bus Company, Inc. (Utica-Rome Bus); TRT
Transportation, Inc. (TRT); Coach USA Tours Las Vegas, Inc. (Coach USA Tours);

¹ A request for interim approval under 49 U.S.C. 14303(i) was included in this filing (Docket No. MCF 21045 TA). In a decision served on June 19, 2012, interim approval of the proposed finance transaction was granted, effective on the decision’s date of service.

² In addition to the nine carrier applicants, Coach USA controls 47 other motor passenger carriers that hold interstate operating authority. A list of these 47 carriers is included as Exhibit 2 to the Verified Application for Control of Motor Passenger Carriers and Request for Interim Approval.

Coach USA MBT, LLC (Coach USA MBT); El Expresso, Inc. (El Expresso); Kerrville Bus Company, Inc. (Kerrville Bus); Powder River Transportation Services, Inc. (Powder River Transportation); Valen Transportation, Inc. (Valen); Antelope Valley Bus, Inc. (Antelope Valley); Coach Leasing, Inc. (Coach Leasing); and CAM Leasing, LLC (CAM Leasing)³—(collectively, Applicants) filed an application under 49 U.S.C. 14303 to acquire control of the assets of ten separate interstate motor passenger carrier subsidiaries of noncarrier Coach America Holdings, Inc. (Coach America)—American Coach Lines of Atlanta, Inc. (American Coach Lines); CUSA AT, LLC; CUSA AWC, LLC; CUSA ELKO, LLC; CUSA KBC, LLC; CUSA PCSTC, LLC; CUSA PRTS, LLC; CUSA RAZ, LLC; Dillon’s Bus Service, Inc. (Dillon’s); and Lakefront Lines, Inc. (Lakefront) (collectively, Coach America Subsidiaries).⁴ On June 5, 2012, Michael Yusim, an

³ ASTI, Blue Bird Coach, and Utica-Rome Bus are wholly-owned carrier subsidiaries of Coach USA. Coach USA Tours, TRT, Coach Leasing, and CAM Leasing are wholly-owned noncarrier subsidiaries of Coach USA. K-T is a carrier owned 50% by Coach USA and 50% by Coach USA Tours. Coach USA MBT is a wholly-owned noncarrier subsidiary of TRT. El Expresso, Kerrville Bus, Powder River Transportation, Valen, and Antelope Valley are wholly-owned carrier subsidiaries of Coach USA MBT.

⁴ Specifically, the transaction contemplates that: (1) Antelope Valley will acquire the assets of Lakefront; (2) ASTI will acquire the assets of CUSA PCSTC, LLC; (3) Blue Bird Coach will acquire the assets of Dillon’s; (4) El Expresso will acquire the assets of American Coach Lines; (5) Kerrville Bus will acquire the assets of CUSA KBC, LLC; (6) K-T will acquire the assets of CUSA AWC, LLC; (7) Powder River Transportation will acquire the assets of CUSA ELKO, LLC; (8) Utica-Rome Bus will acquire the assets of CUSA PRTS, LLC; and (9) Valen will acquire the assets of CUSA RAZ, LLC. The transaction also contemplates that the names of the acquiring carriers will be changed to reflect the trade names of the entities whose assets they will acquire. In addition, CUSA AT, LLC—which currently has no owned assets—will be acquired by Applicants and then likely terminated as a limited liability company and its operating authority surrendered. Further, certain of the motorcoach assets of the Coach America Subsidiaries will be acquired by Coach Leasing and CAM Leasing, which will in turn

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individual, filed a letter in opposition to the proposed transaction, asserting that the public interest would not be served by allowing the transaction to proceed without certain Department of Labor proceedings first being completed. A copy of this notice will be served on Mr. Yusim. Persons wishing to oppose the application must follow the rules set forth at 49 CFR 1182.5 and 1182.8.

DATES: Comments must be filed by August 6, 2012. Applicants may file a reply to any comments by August 21, 2012.

ADDRESSES: Send an original and 10 copies of any comments referring to Docket No. MCF 21045 to: Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, send one copy of comments to Applicants' representative: David H. Coburn, Steptoe & Johnson LLP, 1330 Connecticut Avenue, N.W., Washington, DC 20036.

FOR FURTHER INFORMATION CONTACT: Jonathon P. Binet, (202) 245-0368.

Federal Information Relay Service (FIRS) for the hearing impaired: 1-800-877-8339.

SUPPLEMENTARY INFORMATION: The Coach America Subsidiaries are currently involved in proceedings instituted under Chapter 11 of the Bankruptcy Code, having filed a voluntary petition for relief with the U.S. Bankruptcy Court for the District of Delaware on January 3, 2012, and a motion to sell substantially all of their assets and effectively to liquidate on January 13, 2012. According to Applicants, the transaction described above

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lease the motorcoach assets to the nine carrier applicants following approval of the transaction.

is evidenced by an Asset Purchase Agreement entered by the parties on May 17, 2012, and was approved by the U.S. Bankruptcy Court for the District of Delaware at a hearing on May 22, 2012.

On June 5, 2012, Mr. Yusim filed a letter in opposition to the proposed transaction. Applicants filed a reply to Mr. Yusim's letter on June 6, 2012, to which Mr. Yusim responded on June 8, 2012. The basis for Mr. Yusim's opposition relates to two cases pending before the Secretary of Labor (Secretary) in which Mr. Yusim alleges that his employer, an entity called Midnight Sun Tours, Inc., and his employer's corporate parents (including Coach America) discriminated against drivers who accurately reported their hours of service. According to Mr. Yusim, these two cases were automatically stayed as a result of the bankruptcy proceedings pursuant to 11 U.S.C. 362. Mr. Yusim requests that the Board disallow the sale of any subsidiaries of Coach America until the Secretary is allowed to hear the two cases. Because we have received a timely comment in opposition to the application, we will not grant tentative authority under 49 CFR 1182.4(b). See 49 CFR 1182.6(a). Instead, we will institute a proceeding to address this matter as well as determine the merits of the application pursuant to 49 U.S.C. 14303. Comments and responses are to be submitted as ordered below. See 49 CFR 1182.5 & 1182.6.

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This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. Comments must be filed by August 6, 2012. Applicants may file a reply to any comments by August 21, 2012.
2. This notice will be effective on its date of service.
3. A copy of this notice will be served on: (1) the U.S. Department of Transportation, Federal Motor Carrier Safety Administration, 1200 New Jersey Avenue, S.E., Washington, DC 20590; (2) the U.S. Department of Justice, Antitrust Division, 950 Pennsylvania Avenue, N.W., Washington, DC 20530; (3) the U.S. Department of Transportation, Office of the General Counsel, 1200 New Jersey Avenue, S.E., Washington, DC 20590; (4) the Federal Trade Commission, Bureau of Competition, Premerger Notification Office, 600 Pennsylvania Avenue, N.W., Washington, DC 20580; and (5) Michael Yusim, 7499 Eagle Point Drive, Delray Beach, FL 33446.

Decided: June 18, 2012.

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

Jeffrey Herzig

Clearance Clerk