

SERVICE DATE – JANUARY 6, 2025

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. MCF 21128 TA

AVALON MOTOR COACHES, LLC—ACQUISITION OF CONTROL—
ROSE CHAUFFEURED TRANSPORTATION, INC.

Digest:¹ This decision permits Avalon Motor Coaches, LLC, and its affiliates Virgin-Fish, Inc., and Jeffrey Brush (collectively, Avalon), to manage and operate certain assets of Rose Chauffeured Transportation, Inc., on an interim basis while the Board considers Avalon’s related application to purchase those assets.

Decided: January 6, 2025

On December 11, 2024, Avalon Motor Coaches, LLC (Avalon Motor Coach), and its affiliates Virgin-Fish, Inc., and Jeffrey Brush (collectively, Avalon), requested interim approval under 49 U.S.C. § 14303(i) and the Board’s regulations at 49 C.F.R. § 1182.7(b) for Avalon to manage and operate certain of the assets (including the good will, property, contracts, and vehicles) of Rose Chauffeured Transportation, Inc. (Rose), pending the Board’s decision on Avalon’s concurrently filed application in Docket No. MCF 21128 for authority to acquire those assets.

BACKGROUND

Avalon provides charter shuttle service in several states, including Texas, California, and Arizona. Appl. 3, Avalon Motor Coaches, LLC—Acquis. of Control—Rose Chauffeured Transp., Inc., MCF 21128. Rose (MC-323248) provides luxury motor coach, mini coach, chauffeured services, and general passenger transportation services in Charlotte, N.C., and surrounding areas. Id. at 4. In the acquisition application, Avalon seeks to purchase most of Rose’s assets and “assume substantially all of Rose’s outstanding contracts related to its charter services.” Id. at 2-3. The acquisition application states that the transaction will allow Avalon to continue Rose’s operations in “substantially the same manner,” id. at 3, thus ensuring that “continued adequate and efficient service will be provided to the public,” id. at 6, and further states that Avalon is committed to maintaining Rose’s current workforce of over 50 employees, id. at 3, 7. Avalon also states that the acquisition will allow it to improve operational efficiency by connecting Rose’s services and routes to Avalon’s, resulting in reduced time on the road and improved transportation options for the public. Id. at 5-6. According to the acquisition

¹ The digest constitutes no part of the decision of the Board but has been prepared for the convenience of the reader. It may not be cited to or relied upon as precedent. See Pol’y Statement on Plain Language Digs. in Decisions, EP 696 (STB served Sept. 2, 2010).

application, Avalon ultimately intends to expand Rose's service offerings, modernize and increase the size of the fleet, and potentially increase the number of employees. Id. at 3.

In its request for interim approval, Avalon states that Rose is a small, family-owned company whose owners have decided to sell the business. (Req. for Interim Approval 1-2.) Avalon explains that one of Rose's two owners is facing health challenges and other concerns, and the other owner lacks the necessary knowledge and experience to run the business independently and maintain Rose's current level of service. (Id. at 2 n.1.) Thus, for the benefit of Rose's employees and passengers, Rose's owners seek to complete the sale while they are still healthy enough to preserve the business and facilitate a smooth transition to a buyer. (Id. at 2.) Avalon argues that the reduced service levels that are likely to result from the owners' health challenges and other concerns would put Rose's labor force and inventory at risk due to cancelled orders, potential lost deposits, and decreased staffing needs. (Id.) Additionally, if service levels decrease, Rose's passengers, which include local church groups, sports teams, and school districts, as well as military and corporate clients, could face interruptions to the availability of transportation. (Id.) Avalon states that interim approval of the transaction will allow it to act immediately to maintain the current level of service, retain the existing workforce, and preserve the value of the purchased assets. (Id. at 3.) Avalon therefore asks the Board to grant interim approval as soon as possible. (Id. at 5.)

DISCUSSION AND CONCLUSIONS

Under 49 U.S.C. § 14303(i), while an application for acquisition authority is pending, "the Board may approve, for a period of not more than 180 days, the operation of the properties sought to be acquired by the person proposing in the application to acquire those properties, when it appears that failure to do so may result in destruction or injury to those properties or substantially interfere with their future usefulness in providing adequate and continuous service to the public."

Based on Avalon's representations regarding the transaction, the Board finds that a grant of interim approval for Avalon to manage and operate certain of Rose's assets meets the criteria of § 14303(i). Avalon avers that Rose relies on the experience and expertise of one of its two owners, as "key to Rose's ability to function on a day-to-day basis." According to Avalon, absent prompt interim approval, that owner's health challenges and other concerns could lead to deterioration of Rose's service, impacting Rose's employees, the customers who rely on the transportation Rose provides, and the local economy. (Req. for Interim Approval 2.) Decreased service could result in unfilled contracts and the loss or interruption of transportation options for passengers, financial losses for the business, and job losses for existing employees. (Id.) Therefore, pursuant to 49 C.F.R. § 1182.7(b), the Board will grant the requested interim approval. The Board reminds Avalon that this interim approval is temporary, and that Avalon is responsible for protecting the assets at issue so that they can be returned to Rose if the Board ultimately were to deny Avalon's request for acquisition authority.

This action is categorically excluded from environmental review under 49 C.F.R. § 1105.6(c).

It is ordered:

1. Avalon is authorized on an interim basis to manage and operate certain assets, as described in its acquisition application and request for interim approval, of Rose under 49 U.S.C. § 14303(i) and 49 C.F.R. § 1182.7. The application for acquisition authority will be addressed in a separate decision in Docket No. MCF 21128.

2. This decision is effective on its service date.

3. A copy of this decision 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, 10th Street & Pennsylvania Avenue, N.W., Washington, DC 20530; and (3) the U.S. Department of Transportation, Office of the General Counsel, 1200 New Jersey Avenue, S.E., Washington, DC 20590.

By the Board, Board Members Fuchs, Hedlund, Primus, and Schultz.