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SERVICE DATE – MAY 23, 2025

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. MCF 21133

ISQ BUS BIDCO, INC. ET AL.—ACQUISITION OF CONTROL—
A&S TRANSPORTATION INCORPORATED ET AL.

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Approving and Authorizing Finance Transaction.

SUMMARY: On April 25, 2025, the following entities filed an application to acquire from Mobico Group PLC (the Seller) indirect control of the Seller's North American home-to-school transportation entities, which include regulated interstate passenger motor carriers (the Acquired Regulated Entities): (1) ISQ Bus BidCo, Inc. (BidCo); (2) ISQ Global Infrastructure Fund III (UST) Bus AIV, LP (Fund UST); (3) ISQ Global Infrastructure Fund III (USTE) Bus AIV, LP (Fund USTE); (4) ISQ Global Infrastructure Fund III Bus AIV, LP (Fund AIV); and (5) ISQ Global Infrastructure Fund III (EU) Bus AIV, LP (Fund EU) (collectively, the Applicants). The Board is tentatively approving and authorizing the transaction, and, if no opposing comments are timely filed, this notice will be the final Board action.

DATES: Comments must be filed by July 7, 2025. If any comments are filed, the Applicants may file a reply by July 22, 2025. If no opposing comments are filed by July 7, 2025, this notice shall be effective on July 8, 2025.

ADDRESSES: Comments, referring to Docket No. MCF 21133, may be filed with the Board either via e-filing on the Board's website or in writing addressed to: Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, send one copy of comments to the Applicants' representative: Jonathan R. Todd, Benesch, Friedlander, Coplan & Aronoff LLP, 127 Public Square, Suite 4900, Cleveland, OH 44114.

FOR FURTHER INFORMATION CONTACT: Amy Ziehm at (202) 245-0391. If you require an accommodation under the Americans with Disabilities Act, please call (202) 245-0245.

SUPPLEMENTARY INFORMATION: According to the application, BidCo, a corporation organized under the laws of Delaware, is headquartered in Miami, Fla. (Appl. 2.) Fund UST, Fund USTE, and Fund AIV are yet-to-be formed Cayman Islands limited partnerships; Fund EU is a yet-to-be formed Luxembourg/Ontario limited partnership (collectively, the Fund Applicants). (*Id.*) These entities will all be headquartered in Miami, Fla. (*Id.*) According to the application, the Applicants are all noncarriers, neither the Applicants nor any of their subsidiaries or affiliates own or control any passenger motor carriers in the United States, and neither the

Applicants nor any of their subsidiaries or affiliates have interstate motor carrier authority, U.S. Department of Transportation (USDOT) Numbers, or USDOT Safety Ratings. (Id.)

The Applicants state that the Fund Applicants¹ will collectively, wholly own ISQ Bus Aggregator, LP, a Cayman Islands limited partnership headquartered in Miami, Fla., which will serve as limited partner of the next intermediate holding entity, ISQ Bus Intermediate, LP, a yet-to-be formed Cayman Islands limited partnership that will be headquartered in Miami, Fla. (Id. at 2.) The Applicants state that ISQ Global Fund III GP, LLC, a Delaware limited liability company headquartered in Miami, Fla., will serve as the general partner of ISQ Bus Intermediate, LP. (Id.) According to the Applicants, Bus Management LP, a Delaware limited partnership headquartered in Miami, Fla., will be the limited partner of ISQ Bus Intermediate, LP. (Id. at 2-3.) ISQ Bus Intermediate, LP, will own ISQ Bus Holdings, LP, a Delaware limited partnership headquartered in Miami, Fla. (Id. at 3.) The Applicants note that ISQ Bus Holdings GP, LLC, a Delaware limited liability company headquartered in Miami, Fla., will serve as general partner of ISQ Bus Holdings, LP.² (Id.) ISQ Bus Holdings, LP, will in turn own BidCo. (Id.) The Applicants state that, upon close of the proposed transaction, all interest in the Acquired Regulated Entities will be indirectly owned and held by BidCo, and indirectly controlled by the Fund Applicants. (Id.)

The application states that the Seller is a publicly held British corporation, formerly known as National Express Group, PLC, that has been listed on the London Stock Exchange since 1992.³ (Appl. 4.) The Applicants state that the Seller owns and controls companies that provide transportation and mobility services, including, but not limited to, public railway, tram, bus, motor coach, and home-to-school buses, in 12 countries across Europe, North America, and North Africa. (Id.) The Applicants further assert that the Seller is not a motor carrier and does not have a USDOT Number, a Federal Motor Carrier Safety Administration docket number, or a USDOT Safety Rating. (Id.) The application explains that the Acquired Regulated Entities include the following:⁴

- A&S Transportation, Inc., which provides student school bus transportation and charter passenger services in Florida and Georgia;

¹ According to the application, I Squared Capital Advisors (US) LLC, a private equity noncarrier Delaware limited liability company, headquartered in Miami, Fla., will serve as the investment manager for the Fund Applicants. (Id. at 3.)

² As part of the overall proposed transaction, the Applicants state that ISQ Bus Holdings, LP will also acquire Canadian passenger motor carriers that do not, and will not, enter the United States or fall under the jurisdiction of the Board. (See id. at 5 n.5.)

³ More information about the Seller's corporate structure and ownership can be found in the application. (See Appl. at 4-5, Ex. C.)

⁴ Additional information about these motor carriers, including USDOT numbers, motor carrier numbers, and USDOT safety fitness ratings, can be found in the application. (See id. at Ex. A.)

- Durham School Services, L.P., which provides student school bus transportation and nationwide charter passenger services;
- Petermann Ltd., which provides student school bus transportation and charter passenger services in Ohio;
- Petermann STSA, LLC, which provides student school bus transportation and charter passenger services in Kansas;
- Quality Bus Service, LLC, which provides student school bus transportation and charter passenger services in Orange County, N.Y., and surrounding counties;
- Trinity, Inc., which provides student school bus transportation and motor coach charter passenger services in the Detroit, Mich., metropolitan area;
- Trinity Student Delivery, LLC, which provides student school bus transportation and charter passenger services in Northwest Ohio; and
- Wise Coaches, Inc., which provides school bus transportation services and charter services in central Tennessee.

(Id.) According to the application, the Seller also has operating subsidiaries that provide transportation services not involving regulated interstate transportation or requiring interstate passenger authority in the United States. (See id. at 5, Ex. B.)

Under 49 U.S.C. 14303(b), the Board must approve and authorize a transaction that it finds consistent with the public interest, taking into consideration at least (1) the effect of the proposed transaction on the adequacy of transportation to the public, (2) the total fixed charges resulting from the proposed transaction, and (3) the interest of affected carrier employees. The Applicants have submitted the information required by 49 CFR 1182.2, including information demonstrating that the proposed transaction is consistent with the public interest under 49 U.S.C. 14303(b), see 49 CFR 1182.2(a)(7), and a jurisdictional statement under 49 U.S.C. 14303(g) that the aggregate gross operating revenues of the involved carriers exceeded \$2 million during the 12-month period immediately preceding the filing of the application, see 49 CFR 1182.2(a)(5). (Appl. 6-9.)

The Applicants assert that the proposed transaction will not have a material, detrimental impact on the adequacy of transportation services available to the public. (Id. at 7.) According to the Applicants, the Acquired Regulated Entities will continue to provide the same services they currently provide, and under the same name they currently provide such services but will operate within the Applicants' organizational family. (Id.) Further, the Applicants note that the Acquired Regulated Entities will continue to operate and fulfill their respective current contracts but will also be in position to bid competitively to maintain desired contracts and to respond to open bids for other contracts that may be beneficial to their businesses. (Id.) As such, the Applicants state that they intend to further develop and expand the aggregate businesses of the Acquired Regulated Entities. (Id.)

The Applicants further claim that neither competition nor the public interest will be adversely affected by the proposed transaction. (Id. at 8-9.) The Applicants assert that the market for the transportation services provided by the Acquired Regulated Entities is competitive in nature, as the areas where such carriers operate are generally geographically dispersed and the majority of all home-to-school student transportation contracts are subject to competitive bid

processes and the possibility that a school can provide “in-house” school bus services. (Id.) The Applicants also state that the competitors of the Acquired Regulated Entities include First Student, Student Transportation, Inc., North America Central School Bus, Beacon Mobility, and many other regional and local providers. (Id. at 9.) As to charter services, the Applicants assert that the Acquired Regulated Entities compete for charter services such as school-related activities (athletic and academic competitions, field trips, etc.) and occasionally non-school related activities and events but that the demand for such services is limited due to, among other things, a lack of amenities on school buses suitable for charter service needs. (Id. at 4-5, 9.) Based on the foregoing, the Applicants state that the impact of the proposed transaction will be minimal, at most, and that neither competition nor the public interest will be adversely affected. (Id. at 9.)

With respect to fixed charges, the Applicants assert that such charges are not contemplated to have a material impact on the proposed transaction. (Id. at 7.) The Applicants further state that they do not expect the transaction to have substantial impacts on employees or labor conditions, nor do they anticipate a measurable reduction in force or changes in compensation levels or benefits. (Id.)

Based on the Applicants’ representations, the Board finds that the acquisition of control of the Acquired Regulated Entities is consistent with the public interest and should be tentatively approved and authorized. If any opposing comments are timely filed, these findings 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. If no opposing comments are filed by the expiration of the comment period, this notice will take effect automatically and will be the final Board action in this proceeding.

This action is categorically excluded from environmental review under 49 CFR 1105.6(c).

Board decisions and notices are available at www.stb.gov.

It is ordered:

1. The proposed transaction is approved and authorized, subject to the filing of opposing comments.
2. If opposing comments are timely filed, the findings made in this notice will be deemed vacated.
3. This notice will be effective July 8, 2025, unless opposing comments are filed by July 7, 2025. If any comments are filed, Applicant may file a reply by July 22, 2025.
4. 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, 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.

Decided: May 19, 2025.

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