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SERVICE DATE – APRIL 11, 2008

SURFACE TRANSPORTATION BOARD

DECISION

STB 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 Transaction.

SUMMARY: On March 13, 2008, Stagecoach Group PLC (Stagecoach) and its subsidiary, Coach USA, Inc. (Coach), noncarriers, and various subsidiaries of each (collectively, applicants) filed an application under 49 U.S.C. 14303 to acquire control of the newly created Megabus Northeast LLC (Northeast), which is owned by co-applicant Independent Bus Company, Inc. (Independent), a motor passenger carrier and wholly owned subsidiary of Coach. Independent also wholly owns Megabus USA, LLC, a motor carrier of passengers. Applicants state that currently Northeast does not hold federally issued authority to operate as a motor common carrier of passengers. Applicants supplemented the application in a March 19, 2008 filing. This application is filed on the premise that Northeast actually obtains the authority it seeks. Persons wishing to oppose this application must follow the rules at 49 CFR 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 must be filed by May 27, 2008. Applicants may file a reply by June 10, 2008. If no comments are filed by May 27, 2008, this notice is effective on that date.

ADDRESSES: Send an original and 10 copies of any comments referring to STB Docket No. MC-F-21027 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: Julia Farr (202) 245-0359 [Federal Information Relay Service (FIRS) for the hearing impaired: 1-800-877-8339].

SUPPLEMENTARY INFORMATION: Stagecoach is a public limited company organized under the laws of Scotland. It is one of the world's largest providers of passenger transportation services and had annual revenues for the fiscal year ending April 30, 2007, of over \$3 billion.

Stagecoach and certain intermediate subsidiaries acquired control of Coach in September 1999.¹ Coach, a Delaware corporation, controls numerous federally regulated 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.

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, Northeast will utilize a fleet of motorcoaches to provide scheduled express bus service over regular routes between New York and several cities in the Northeast and Middle Atlantic states, including Washington and Boston. Applicants state that initially, Megabus USA may provide this service under its operating authority. Once Northeast obtains authority, Northeast would assume responsibility for conducting these operations in the Northeast and Middle Atlantic states, and Megabus USA will continue to provide service outside the Northeast and Middle Atlantic regions.

Under 49 U.S.C. 14303(b), the Board must approve and authorize a transaction found to be 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, including the information to demonstrate that the proposed transaction is consistent with the public interest under 49 U.S.C. 14303(b). Applicants state that the proposed transaction will not adversely impact the adequacy of transportation services available to the public, the fixed charges incurred by Northeast, or the interests of any motor carrier employees. Additional information, including a copy of the application, may be obtained from the Applicants' representative.

On the basis of the application, and if Northeast does in fact obtain the authority as described above, we find that the proposed acquisition 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 notice 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."

¹ See Stagecoach Holdings PLC—Control—Coach USA, Inc., et al., STB Docket No. MC-F-29048 (STB served July 22, 1999).

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

It is ordered:

1. The proposed finance transaction is approved and authorized, subject to the filing of opposing comments.
2. If timely opposing comments are filed, the findings made in this notice will be deemed as having been vacated.
3. This notice will be effective on May 27, 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, 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: April 7, 2008.

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

Anne K. Quinlan
Acting Secretary