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August 19, 2008

Via HAND DELIVERY

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

FILED

AUG 19 2008

**SURFACE
TRANSPORTATION BOARD**



**Re: MC-F-21029, Stagecoach Group plc and Coach USA, Inc., et al. -
Acquisition and Consolidation of Assets - Eastern Travel & Tour,
Inc.**

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 certain assets of Eastern Travel & Tour, Inc., 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 \$2,000 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

AUG 19 2008

**SURFACE
TRANSPORTATION BOARD**

**ENTERED
Office of Proceedings**

AUG 20 2008

**Part of
Public Record**

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB DOCKET NO. MC-F-21029

**STAGECOACH GROUP PLC AND COACH USA, INC., et al.
– ACQUISITION AND CONSOLIDATION OF ASSETS – EASTERN TRAVEL
& TOUR, INC.**

VERIFIED APPLICATION

David H. Coburn
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1330 Connecticut Avenue, N.W.
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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 KILT Trans, Inc.

August 19, 2008

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB DOCKET NO. MC-F-21029

**STAGECOACH GROUP PLC AND COACH USA, INC., et al.
-- ACQUISITION AND CONSOLIDATION OF ASSETS -- EASTERN TRAVEL
& TOUR, INC.**

VERIFIED APPLICATION

Pursuant to 49 U.S.C. § 14303(a) and the Board's rules at 49 CFR Part 1182, Stagecoach Group PLC ("Stagecoach") and Coach USA, Inc. ("Coach USA"), both non-carriers that control motor passenger carriers, together with related co-applicants, seek authority to acquire the assets of a motor passenger carrier and operate those assets through a Coach USA-controlled motor passenger carrier.

Specifically, the transaction underlying this Application ("Transaction") contemplates that a motor passenger carrier currently controlled by Coach USA – KILT Trans, Inc. ("KILT")¹ will acquire and operate the assets of a federally registered motor

¹ KILT was formerly known as Pawtuxet Valley Bus Lines ("Pawtuxet"). Coach USA originally acquired control of Pawtuxet in a Board-approved transaction in 1998. *See Coach USA, Inc , and Coach XXIII Acquisition, Inc --Control--Americoach Tours, Ltd , Keeshin Charter Services, Inc ; Keeshin Transp., L.P., Niagara Scenic Bus Lines, Inc., and Pawtuxet Valley Bus Lines*, STB Docket No. MC-F-20916, slip op. at 4 (served Feb. 27, 1998). In 2002, the Board granted tentative authorization for Peter Pan Bus Lines Trust's acquisition of Pawtuxet's operating assets. *See Peter Pan Bus Lines Trust-Purchase and Acquisition of Control-Arrow Acquisition, LLC, Bonanza Acquisition LLC, Maine Line, LLC, Pawtuxet Valley, LLC, Peter Pan Boston, LLC, and Peter Pan Bus Lines, Inc ,* STB Docket No. MC-F-20995, slip op. at 4 (served Dec. 27, 2002). The Board gave final approval to the acquisition in 2003. *See Peter Pan Bus Lines Trust-*

passenger carrier, Eastern Travel & Tour, Inc. ("Eastern"). Eastern will thereupon cease operations on routes that it currently serves, and KILT will assume such operations, using the same trade name currently used by Eastern. The transaction will be essentially invisible to the traveling public, while Coach USA (and more specifically, KILT) will have attained control of the operations at issue.

The related co-applicants are non-carrier subsidiaries of Stagecoach (collectively, the "Intermediate Subsidiaries") that are intermediate in the corporate chain connecting Stagecoach with Coach USA, specifically, Stagecoach Transport Holdings plc, SCUSI Ltd. and Coach USA Administration, Inc. Verification statements executed by each of the parties to this Application, including Eastern, attesting to the facts set forth in the Application, are attached. In addition, Applicants have supplied the Board with a draft Federal Register Notice.

I. INTRODUCTION AND DESCRIPTION OF TRANSACTION

The Board has previously approved the control of numerous federally-regulated motor carriers by Stagecoach, Coach USA and certain intermediate subsidiaries. By the Transaction underlying this Application, Stagecoach, Coach USA, the Intermediate Subsidiaries and KILT seek authorization to acquire and, through KILT, utilize the acquired properties of Eastern.

Purchase and Acquisition of Control-Arrow Acquisition, LLC, Bonanza Acquisition LLC, Maine Line, LLC, Pawtuxet Valley, LLC, Peter Pan Boston, LLC, and Peter Pan Bus Lines, Inc, STB Docket No. MC-F-20995, slip op. at 5 (served May 12, 2003). After being inactive since 2003, Coach USA applied to the Federal Motor Carrier Safety Administration (FMCSA) for the reinstatement of Pawtuxet to active status in 2008, following the reinstatement of its insurance and appointment of an agent for the service of process. FMCSA thereupon reinstated Pawtuxet, the corporate name of which has now been changed to KILT, to active status.

The Transaction is subject to Board approval pursuant to 49 U.S.C. § 14303(a) (1) and (2), which require approval for the consolidation or merger of the properties of at least two carriers into one operation and for the purchase of the property of another carrier by a carrier. The Interstate Commerce Commission determined that a transaction involving the acquisition of assets by one carrier from another, coupled with the cessation of operations by the carrier transferring those assets, is the type of transaction requiring regulatory approval under the predecessor to Section 14303. *See, e.g., Raymond Bros Motor Transp, Inc -- Purchase -- North American Creameries, Inc.*, 37 M.C.C. 431, 432-33 (1941). The Board has likewise approved an asset acquisition with facts similar to the instant transaction in *Stagecoach Group PLC and Coach USA, Inc, et al - Acquisition and Consolidation of Assets-Rockford Coach Lines, L.L.C*, STB Docket No. MC-F-21006, slip op. at 3 (served May 14, 2004).

The Transaction is evidenced by an Asset Purchase Agreement that the parties entered on July 30, 2008, pursuant to which the Eastern assets described in that Agreement are being purchased by KILT. Among the properties that would be acquired are Eastern's buses, customer lists, any property leases, sales records and website. KILT anticipates that, following approval of this transaction by the Board, it will provide service identical to that currently operated by Eastern, utilizing the acquired Eastern assets in combination with its own assets. Accordingly, it is anticipated that the traveling public will experience a seamless continuation of motorcoach operations. Also as part of the Agreement, Eastern, as well as its shareholders and officers and directors, have agreed not to provide service on several of the regular routes currently served by Eastern for a

period of time described in the Agreement. KILT will provide service over all or most of those routes.

Approval of this Application is consistent with the public interest standard set forth in 49 U.S.C. § 14303(b), as discussed further below.

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 USA 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 7,000 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 2,400 buses. For the fiscal year ended April 30, 2008, 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. 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 USA. 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. and KILT Trans, Inc.

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

KILT is one of the Coach USA-controlled Operating Carriers. KILT is headquartered at 160 S. Route 17 North, Paramus, NJ, 07652 and is a Rhode Island Corporation. KILT is in the process of seeking approval from FMCSA to operate regular routes currently operated by Eastern, including between (1) New York, NY and Washington, DC; (2) New York, NY and Baltimore, Maryland, (3) New York, NY and Richmond, VA and (4) Washington, DC and Richmond, VA. KILT has applied for this new operating authority in Docket No. MC-115432. KILT will also be seeking to officially change its name in FMCSA records from Pawtuxet Valley to KILT d/b/a Eastern.

C. Eastern Travel & Tour, Inc.

Eastern Travel & Tour, Inc. has its headquarters at 53 Chrystie Street, New York, NY 10002. Its mailing address is 18 East Broadway, 6th Floor, New York, NY 10002. Eastern currently operates a fleet of 12 buses, providing regular route service between the points identified in the prior paragraph above, among others. Eastern holds operating authority issued by FMCSA in Docket No. 429551 and has been issued DOT No. 1021769. It sells its tickets through a website at www.easternshuttle.com. Eastern employs approximately 24 persons, of whom 14 are drivers.

III. JURISDICTIONAL STATEMENT

The motor passenger carriers controlled by Coach USA 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

KILT is in the process of applying to FMCSA for new operating authority that will allow it to replicate the services being provided by Eastern. A copy of this authority will be supplied to the Board upon its issuance.

V. GRANTING THIS APPLICATION IS CONSISTENT WITH THE PUBLIC INTEREST

The Board is required to approve the proposed transaction if it finds that the transaction 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 transportation 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 the Eastern assets by Coach USA and its affiliates, there will be no change in the adequacy of service to the travelling public. The changes will in fact be invisible to the average passenger as Coach USA will use Eastern's current trade name in the acquired operations and preserve the "Chinatown" nature of Eastern's service.

Moreover, the public will benefit from the transaction. The advantages to the traveling public from the Transaction are similar to those which have accrued, and will continue to accrue, as a result of each of the previous transactions to which Coach USA has been a party. As described in the Board's prior decisions concerning Coach USA's

acquisition of control of bus carriers, these benefits include access to substantial capital resources, favorable restructuring of debt, significant interest cost savings, and reduced operating costs resulting from Coach USA's enhanced volume purchasing power.² For example, the Operating Carriers, and in turn their passengers, benefit from the reduced 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.

KILT's service to the public on routes currently served by Eastern, which will be the consequence of Board approval of the Transaction, will be enhanced by these same benefits. Further, the Transaction will have no adverse impact on KILT's fixed charges.

Although Eastern currently competes with another Coach USA-controlled entity, Megabus Northeast, on several routes, including the New York City-Washington, DC route,³ Coach USA operating companies will continue to face existing competition and potential new competition from other bus companies, private vehicles and other transportation modes in connection with the services at issue, just as it does in connection

² 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), slip op. at 4-5 (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, slip op. at 3, 5 (served Nov. 8, 1996) ("*Coach/American*").

³ Megabus Northeast operates service between New York and Washington, New York and Baltimore and New York and Philadelphia. This Board approved a control application in connection with the establishment of this service in *Stagecoach Group PLC and Coach USA, Inc et al -Control-Megabus Northeast LLC*, STB Docket No. MC-F-21027, slip op. at 3 (served Apr. 11, 2008).

with the services it provides today. Thus, the traveling public will continue to have transportation options following any Board approval of this Application. 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 GLI Acquisition Co – 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 the abuse of market power are effectively foreclosed.

See also Coach/American at 6.

As noted, Eastern currently employs approximately 24 persons, including 14 drivers. KILT is evaluating its employment needs with a view to employing qualified personnel that are currently employed by Eastern to operate the relevant services.

Finally, Board approval of this Application will allow the acquisition of control of the Eastern assets to be accomplished without the approval of state regulatory authorities, thus relieving the parties from potentially burdensome regulatory requirements. *See* 49 U.S.C. 14303(f) (providing 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); *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 7 (same).⁴

VI. SAFETY FITNESS CERTIFICATION

By its verification included herewith, Coach USA certifies that the U.S. Department of Transportation safety rating of each of the Operating Carriers is accurately set forth in Exhibit A. Eastern has no safety rating. None of the carriers involved in this proceeding has an unsatisfactory safety rating.

VII. INSURANCE COVERAGE CERTIFICATION

Coach USA certifies that it will maintain sufficient insurance coverage for the acquired assets in the manner and to the extent required by FMCSA and state regulations.

VIII. CERTIFICATION OF DOMICILE

No Party to the Transaction is domiciled in Mexico or owned or controlled by citizens of that country.

⁴ 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, slip op. at 4 (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 of North Jersey Welfare Fund, Inc.-Pension Fund 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 (Portion) Exemption -- Maddox Transfer and Storage, Inc d/b/a Aim Van Lines*, 7 I.C.C. 2d 372, 378-80 (1991), *aff'd*, *Oregon Pub. Util Com'n v. ICC*, 979 F.2d 778 (9th Cir. 1992), *Herman Bros , Inc -- Purchase Exemption -- Thompson Truck Line, Inc , 7 I.C.C. 2d 382, 386-87 (1991), aff'd*, *Minnesota Transp Regulation Bd. v. U.S.*, 966 F.2d 335 (8th Cir. 1992) (both holding that the ICC's preemption authority under the predecessor to section 14303(i) extends to the transfer of intrastate operating rights).

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

This Application contemplates only assumption of control of existing operational assets. 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. § 1182.2(a)(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 7.

CONCLUSION

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

Respectfully submitted,



David H. Coburn
Scott M. Mirelson
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., and KILT Trans, Inc.

August 19, 2008

EXHIBIT A

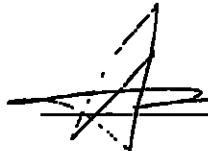
**Motor Passenger Carriers Holding Federally-Issued Operating Authority and Controlled
by Stagecoach Group, plc and Coach USA, Inc.**

MOTOR PASSENGER CARRIER	MC NUMBER	DOT NUMBER	SAFETY RATING
ASTI, Inc.	252353	454893	Satisfactory
Autocar Connaisseur, Inc.	166643	222220	Satisfactory
Butler Motor Transit, Inc.	126876	85141	Satisfactory
Cape Transit Corp.	161678	212314	Satisfactory
Central Cab Company	133058	46037	Satisfactory
Century Airline Services, Inc.	293450	609474	None
Chenango Valley Bus Lines, Inc.	141324	154670	Satisfactory
Cisko Bus Co. Inc.	22072	153203	Satisfactory
Clinton Avenue Bus Company	223062	516176	None
Colonial Coach Corp.	39491	31806	Satisfactory
Community Coach, Inc.	76022	54433	Satisfactory
Community Transit Lines, Inc.	145548	168076	Satisfactory
D'Arcangelo Bus Co., Inc.	168603	986345	None
E & A Bus Co., Inc.	168561	1041095	None
Elizabeth Bus Company	168567	986357	None
Eric Coach Lines Company	127027	287419	Satisfactory
Gad-About Tours, Inc.	198451	517358	Satisfactory
Gilsam Bus Company, Inc.	233195	982310	None
GL Bus Lines, Inc.	180074	514683	None
Gray Line Air Shuttle, Inc.	218255	501803	Satisfactory
Gray Line New York Tours, Inc.	180229	23477	Satisfactory
H.A.M.L. Corp.	194792	293946	None
Hudson Transit Corporation	133403	200615	Satisfactory
Hudson Transit Lines, Inc.	228	13944	Satisfactory
Independent Bus Company, Inc.	168548	381847	None
International Bus Services, Inc.	155937	203061	Satisfactory
J & J Bus Company, Inc.	168563	516048	None
J & J Transit, Inc.	233193	1041117	None
J & L Bus Co., Inc.	168602	982347	None
Kaunas Bus Co., Inc.	168549	982348	None
Keeshin Charter Services, Inc.	118044	76003	Satisfactory
Keeshin Transportation, LP	263222	523524	Satisfactory
Leisure Time Tours, Inc	142011	150457	Satisfactory
M & J Bus Company, Inc.	233197	982342	None
Meadowlands Transit, Inc.	168588	982308	None
Megabus Northeast LLC	643228	1759030	None
Megabus USA LLC	572524	1538200	None
Minsol Bus Company, Inc	233198	982311	None
Mountaineer Coach, Inc.	229627	613445	Satisfactory
Niagara Scenic Bus Lines, Inc.	30787	26398	Satisfactory
Olympia Trails Bus Co., Inc.	138146	6280	Satisfactory

MOTOR PASSENGER CARRIER	MC NUMBER	DOT NUMBER	SAFETY RATING
Orange, Newark, Elizabeth Bus, Inc.	206227	308119	None
Pawtuxet Valley Bus Lines, Inc. (KILT)	115432	50611	None
Penn-Mall Transit, Inc.	208153	982315	None
R & W, Inc.	168547	515922	None
R & W Transit, Inc.	233186	1046492	None
Red & Tan Tours	162174	234326	Satisfactory
Road Runner Tours, Inc.	168623	1041110	None
Rockland Coaches, Inc.	29890	156149	Satisfactory
Sam Van Galder, Inc.	112422	74456	Satisfactory
Seven Bus Corporation	233196	982327	None
South Orange Avenue Bus Association	168650	982326	None
South Orange Avenue Bus Company, Inc.	168569	982309	None
St. Louis Executive Coach, Inc.	414193	982072	None
Suburban Management Corp.	264527	531796	None
Suburban Trails, Inc.	149081	314581	Satisfactory
Suburban Transit Corp.	115116	43463	Satisfactory
Tri-State Coach Lines, Inc.	425233	1006023	Satisfactory
Transportation Management Services, Inc. d/b/a Lenzner Coach Lines	237433	583785	Satisfactory
Trentway-Wagar, Inc.	126430	26345	Satisfactory
Utica-Rome Bus Company, Inc.	7914	19446	Satisfactory
Vailsburg Bus Co., Inc.	165416	982302	None
Van Nortwick Bros., Inc.	149025	18722	Satisfactory
WJB Company, Inc.	233200	982307	None
Wisconsin Coach Lines, Inc.	123432	46567	Satisfactory

VERIFICATION

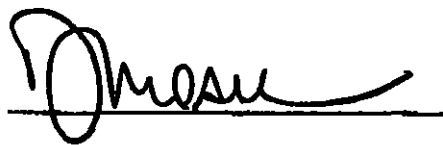
My name is Amin Wang. I am Chief Executive Officer of Eastern Travel & Tour, Inc. I hereby verify under penalty of perjury under the laws of the United States of America, that all information supplied in connection with this application, as it relates to the above-named entity, is true and correct. Further, 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.

 (CEO)

Dated August 18, 2008

VERIFICATION

My name is Dale Moser. 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: August 18, 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

Martin Griffiths

Dated: August 19, 2008

VERIFICATION

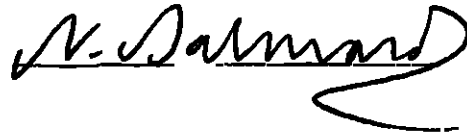
My name is Bryony Chamberlain I am President of KILT Transportation, Inc. I hereby verify under penalty of perjury, under the laws of the United States of America, that all information supplied in connection with this application, as it relates to the above-named entities, is true and correct. Further, 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 'Bryony Chamberlain', is written over a horizontal line.

Dated: August 15, 2008

VERIFICATION

My name is Nicola Salmond, and I am a 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", with a stylized flourish at the end.

Dated: August 19, 2008

CERTIFICATE OF SERVICE

I certify that I have this 19th day of August 2008 served a copy of the foregoing

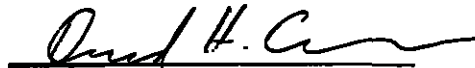
Verified Application by hand delivery on:

Director of Operations
Antitrust Division
Premerger Notification Unit
U.S. Department of Justice
950 Pennsylvania Avenue, N.W.
Washington, D.C. 20530

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



David H. Coburn

SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. MC-F-21029

**STAGECOACH GROUP PLC AND COACH USA, INC., et al.
ACQUISITION AND CONSOLIDATION OF ASSETS – EASTERN TRAVEL & TOUR,
INC.**

Office of Proceedings

AUG 22 2008

AGENCY: SURFACE TRANSPORTATION BOARD

**Part of
Public Record**

ACTION: Notice Tentatively Approving Finance Application

SUMMARY: Stagecoach Group plc (Stagecoach), a noncarrier, and its noncarrier intermediate subsidiaries, Stagecoach Transport Holdings plc, SCUSI Ltd., Coach USA Administration, Inc. and Coach USA, Inc. (Coach USA), and KILT Trans, Inc. (KILT),¹ a motor passenger carrier (MC-115432) controlled by Coach USA (collectively, applicants), have filed an application under 49 U.S.C. 14303 for the acquisition and operation of certain assets of Eastern Travel & Tour, Inc. (Eastern), a motor passenger carrier (MC-429551). 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 November 3, 2008. Applicants may file a reply by November 17, 2008. If no comments are filed by November 3, 2008, this notice is effective on that date.

ADDRESSES: Send an original and 10 copies of comments referring to STB Docket No. MC-F-21029 to: Surface Transportation Board, Office of the Secretary, Case Control Branch, 395 E Street S.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: 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 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, 2008 of over

¹ KILT is currently listed in Federal Motor Carrier Safety Administration (FMCSA) records as Pawtuxet Valley Bus Lines, Incorporated. KILT is going to ask FMCSA to change Pawtuxet's name to KILT d/b/a Eastern in its records.

\$3 billion. Stagecoach and its subsidiaries currently control Coach USA.² Coach USA is a Delaware corporation that currently controls several motor passenger carriers. The motor carriers controlled by Coach USA 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.

In this transaction, the Applicants seek permission to acquire certain of Eastern's assets. These assets include Eastern's buses, customer lists, any property leases, sales records and website as well as a variety of other assets. Eastern, which currently operates 12 motorcoaches, currently provides service between several points in the Mid-Atlantic states, including (1) New York and Washington, DC, (2) New York and Baltimore, Maryland, and (3) New York and Richmond, Virginia. The transaction contemplates the cessation of operations by Eastern on these and other routes.

Applicants submit they will continue to operate several of the services previously provided by Eastern through KILT, a Coach USA subsidiary. They maintain that there will be a seamless continuation of Eastern's services.

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. 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, 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."

² 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 Coach USA Administration, Inc.

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

It is ordered:

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 November 3, 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, 950 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: _____, 2008

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

Anne K. Quinlan
Acting Secretary