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DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. MCF 21065]

National Express LLC—Acquisition of Control—White Plains Bus Company, Inc.

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Approving and Authorizing Finance Transaction.

SUMMARY: On November 23, 2015, National Express LLC (National Express or Applicant), a non-carrier, filed an application under 49 U.S.C. 14303 so that it can acquire common control of White Plains Bus Company, Inc. (White Plains). 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. Persons wishing to oppose the application must follow the rules at 49 CFR 1182.5 and 1182.8.

DATES: Comments must be filed by February 8, 2016. Applicant may file a reply by February 22, 2016. If no comments are filed by February 8, 2016, this notice shall be effective on February 9, 2016.

ADDRESSES: Send an original and 10 copies of any comments referring to Docket No. MCF 21065 to: Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, send one copy of comments to Applicant's representative: Andrew K. Light, Scopelitis, Garvin, Light, Hanson & Feary, P.C., 10 W. Market Street, Suite 1500, Indianapolis, IN 46204.

FOR FURTHER INFORMATION CONTACT: Nathaniel Bawcombe (202) 245-0376. Federal Information Relay Service (FIRS) for the hearing impaired: 1-800-877-8339.

SUPPLEMENTARY INFORMATION: Applicant, a non-carrier, states that it is a holding company organized under the laws of the state of Delaware. According to Applicant, it is indirectly controlled by a British corporation, National Express Group, PLC (Express Group). Applicant states that Express Group indirectly controls the following passenger motor carriers (National Express Affiliated Carriers): Beck Bus Transportation Corp. (Beck), Carrier Management Corporation (CMI), Durham School Services, L.P. (Durham), MV Student Transportation, Inc. (MV), National Express Transit Corporation (NETC), National Express Transit Services Corporation (NETSC), Petermann Ltd. (LTD), Petermann Northeast LLC (Northeast), Petermann Northwest LLC (Northwest), Petermann Southwest LLC (Southwest), Petermann STSA, LLC (STSA), Trans Express, Inc. (Trans Express), and Rainbow Management Service Inc. (Rainbow).

Applicant alleges the following facts regarding a number of interstate and intrastate for-hire passenger motor carrier authorities collectively held by the National Express Affiliated Carriers:

- Beck is a passenger motor carrier primarily engaged in providing student school bus transportation services in the states of Illinois and Indiana under contracts with regional and local school jurisdictions. Beck also provides charter passenger services to the public.

- CMI is a passenger motor carrier doing business as Matthews Bus Company and is primarily engaged in providing student school bus transportation services in the state of Pennsylvania under contracts with regional and local school jurisdictions. CMI also provides intrastate charter passenger services to the public.
- Durham is a passenger motor carrier primarily engaged in providing student school bus transportation services in approximately 32 states under contracts with regional and local school jurisdictions. Durham also provides charter passenger services to the public.
- MV is a passenger motor carrier primarily engaged in providing student school bus transportation services in the state of Missouri under contracts with regional and local school jurisdictions. MV also provides charter passenger services to the public.
- NETC is an intrastate passenger motor carrier incorporated under the laws of the state of Delaware.
- NETSC is a passenger motor carrier engaged primarily in providing intrastate transit services in the areas of Westmoreland, Pa.; Arlington, Va.; Greensboro, N.C.; Vallejo, Cal.; and Yuma, Ariz.
- LTD is a passenger motor carrier primarily engaged in providing student school bus transportation services in the state of Ohio under contracts with regional and local school jurisdictions. LTD also provides charter passenger services to the public.

- Northeast is a passenger motor carrier primarily engaged in providing student school bus transportation services, primarily in the states of Ohio and Pennsylvania under contracts with regional and local school jurisdictions. Northeast also provides charter passenger services to the public.
- Northwest's principal place of business is located in Oakland, Cal.
- Southwest is a passenger motor carrier primarily engaged in providing student school bus transportation services in the state of Texas under contracts with regional and local school jurisdictions. In addition to its core school bus services, Southwest also provides charter passenger services to the public.
- STSA is a passenger motor carrier primarily engaged in providing student school bus transportation services, primarily in the state of Kansas under contracts with regional and local school jurisdictions. STSA also provides charter passenger services to the public.
- Trans Express provides point-to-point intrastate passenger transportation services between the boroughs of Brooklyn and Manhattan in the state of New York pursuant to authority provided by the New York Department of Transportation. Rainbow provides interstate and intrastate charter and special party passenger transportation services in the areas of New York City and the state of New York.

Applicant states that White Plains is a New York corporation that holds authority from the Federal Motor Carrier Safety Administration as a motor carrier of passengers

(MC-160624). Applicant explains that the three shareholders of White Plains are Stephen Lennox, Terence Lennox, and John Silvanie.¹

Applicant states that White Plains operates primarily as a provider of non-regulated school bus transportation services, transporting children to and from school throughout the State of New York. White Plains also operates as a motor passenger carrier providing charter service to the public using its fleet of buses and vans. White Plains maintains a fleet of roughly 264 buses and transit vans and has approximately 154 drivers.

Applicant explains that National Express would assume direct 100 percent control of White Plains through stock ownership.

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 that result; and (3) the interest of affected carrier employees. Applicant submitted information, as required by 49 CFR 1182.2, including information to demonstrate that the proposed transaction is consistent with the public interest under 49 U.S.C. 14303(b), and a statement that the aggregate gross operating revenues of the National Express Affiliated Carriers and White Plains exceeded \$2 million for the preceding 12-month period. See 49 U.S.C. 14303(g).

Applicant submits that the proposed transaction would have no significant impact on the adequacy of transportation services to the public. According to Applicant, White

¹ Stephen Lennox, Terence Lennox, and John Silvanie also commonly own Suburban Charter Service Inc., a New York corporation, which is not part of this transaction.

Plains would continue to provide the services it currently provides using the same names for the foreseeable future. Applicant states that White Plains “will continue to operate, but going forward, it will be operating within the National Express corporate family, an organization already thoroughly experienced in passenger transportation operations.” (Appl. 10.)

Applicant states that “[t]he addition of [White Plains] to the National Express group is consistent with the practices within the passenger motor carrier industry of strong, well-managed transportation organizations adapting their corporate structure to operate several different passenger carriers within the same market niche but in different geographic areas.” (Appl. 10.) Applicant asserts that White Plains is experienced in some of the same market segments already served by National Express and some of the National Express Affiliated Carriers. Applicant expects the transaction to result in operating efficiencies and cost savings derived from economies of scale, all of which would help to ensure the provision of adequate service to the public.

Applicant also submits that, “[b]ringing [White Plains] within the National Express family will serve to enhance the viability of the overall National Express organization” and therefore the continued availability of adequate passenger transportation service for the public. (Appl. 11.)

Applicant further claims that neither competition nor the public interest would be adversely affected. According to Applicant, White Plains is a relatively small carrier in the overall markets in which it competes: intrastate point-to-point passenger service, and interstate and intrastate charter and special party passenger service. Applicant states that school bus operators typically occupy a limited portion of the charter business because (i)

the equipment offered is not as comfortable as that offered by motor coach operators; and (ii) scheduling demands imposed by the primary school bus operation impose major constraints on charter services that can be offered by school bus operators. Applicant argues that even as a provider of charter services, White Plains operates a small fleet that does not have market power. It explains that the charter operations of White Plains are geographically dispersed and there is little overlap in service areas and/or in customer bases between the National Express Affiliated Carriers and White Plains.

Applicant asserts there are no fixed charges associated with the contemplated transaction or the proposed acquisition of control. Applicant also states that it does not anticipate a measurable reduction in force or changes in compensation and benefits, though some limited downsizing of back office or managerial level personnel could occur.

The Board finds that the acquisition proposed in the application 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(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”.

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 February 9, 2016, unless opposing comments are filed by February 8, 2016.

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: December 17, 2015.

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

Tia Delano,

Clearance Clerk.

FR-4915-01-P

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