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January 23, 2023

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Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E Street S.W.
Washington, D.C. 20423-001

Re: Avalon Motor Coaches, LLC
– Acquisition of Control –
Wynne Transportation, LLC
Docket # MCF 21105

Dear Ms. Brown:

Please find enclosed the application for Avalon Motor Coaches, LLC to control the assets of Wynne Transportation, LLC, together with a request for interim approval. Expedited action by January 27, 2023 is requested with respect to the application for interim approval. The filing fees have been paid via pay.gov.

Respectfully submitted,

/s/ Barry M. Weisz

Barry M. Weisz
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FILED
January 23, 2023
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
January 23, 2023
SURFACE
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BEFORE THE SURFACE TRANSPORTATION BOARD

AVALON MOTOR COACHES, LLC

-- ACQUISITION OF CONTROL --

WYNNE TRANSPORTATION, LLC

Docket No. MCF 21105

**VERIFIED APPLICATION UNDER 49 U.S.C. § 14303(a) FOR APPROVAL OF THE
ACQUISITION OF CONTROL OF WYNNE TRANSPORTATION, LLC**

Avalon Motor Coaches, LLC (“Avalon”) respectfully submits this verified application under 49 U.S.C. § 14303 and the Surface Transportation Board’s (the “Board”) regulations at 49 C.F.R. Part § 1182. (this “Application”) for approval of the contemplated transaction more fully described herein (the “Transaction”). The Transaction entails Avalon’s purchase and assumption of substantially all of the shuttle services of Wynne Transportation, LLC (“Wynne Transportation”, and collectively with Avalon, the “Applicants”).

1. Parties of the Contemplated Transaction (49 C.F.R. § 1182.2(a)(1)).

The parties’ names, addresses, and authorized signatories are as follows:

Avalon Motor Coaches, LLC

1000 Corporate Point

Culver City, California 90230

Signatory: Jeffrey Brush

Wynne Transportation, LLC

7650 Esters Blvd.

Irving, Texas 75063

Signatory: John Montgomery

2. Pertinent Operating Authorities (49 C.F.R. § 1182.2(a)(2)).

Each Applicant and its sister companies hold interstate authority to carry passengers, including the following authorizations with the U.S. Department of Transportation, the Federal Motor Carrier Safety Administration, and the Texas Department of Transportation:

Avalon

USDOT and TXDOT #3271206

FMCSA: MC-1032746

Wynne Transportation

USDOT and TXDOT #3232499

FMCSA: MC-650660

Related entities to the Applicants hold the following authorizations:

Avalon Transportation, LLC (Avalon affiliate)

USDOT #911905

FMCSA: MC-396011

Southwest Crew Change Company (Wynne Transportation affiliate)

USDOT #3818027

FMCSA: MC-1380514

Coastal Crew Change Company (Wynne Transportation affiliate)

USDOT #3317739

FMCSA: MC-505874

WTH Commercial Services, LLC (Wynne Transportation affiliate)

USDOT #3670951

FMCSA: MC-1272906

The Transaction does not entail the transfer from one entity to another of any relevant operating authorities.

3. Description of Proposed Transaction (49 C.F.R. § 1182.2(a)(3)).

Upon consummation of the Transaction, Avalon will purchase most of the assets of Wynne Transportation via an Asset Purchase Agreement and will assume substantially all of Wynne Transportation's outstanding contracts related to its charter services. The acquisition will allow Wynne Transportation to pay off certain debts associated with the company. Wynne Transportation's operations will continue under Avalon's ownership.

Wynne Transportation's primary business focus is on charter shuttle services. Wynne Transportation's parent company, Wynne Transportation Holdings, LLC ("Wynne Holdings"), operates several other entities which focus on other contract transportation services in eleven states outside of Texas, including in Nevada and Louisiana (collectively, the "Sister Subsidiaries"). After the Transaction, Wynne Holdings will be able to provide greater focus on the Sister Subsidiaries, which have a greater impact on Wynne Holdings' overall economic health. At present, Wynne Holdings' management is unable to adequately focus on the disparate areas of charter transportation at Wynne Transportation and the contractual obligations of the Sister Subsidiaries.¹

Avalon currently operates charter shuttle services within Texas and in other states including California and Arizona, and it plans to assume Wynne Transportation's business operations as well as to expand services and integrate them into its existing structure. It will rely on its existing positive relationships with financial partners to finance the Transaction through cash, debt assumption, and term notes. Avalon will use this financing and its existing capital to

¹ Post Transaction Wynne Transportation will retain one contract relating to Emergency Transportation Management Services for the State of Texas, Contingency No. 304T-20-958M1, which will be performed by one of the Sister Subsidiaries.

bolster Wynne Transportation's existing services by modernizing its fleet, expanding the business service offerings and locations within Texas, and hiring additional employees.

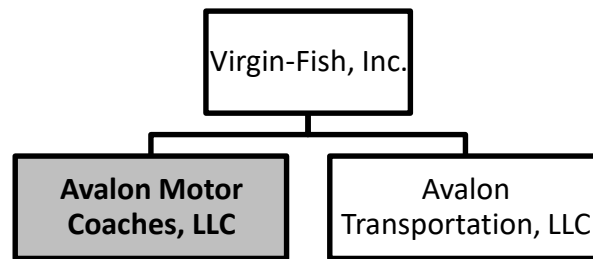
4. Motor Passenger Carrier Affiliates and Corporate Structure (49 C.F.R. § 1182.2(a)(4)).

Avalon

Avalon is a Texas single-member limited liability company, and its sole member is Virgin-Fish, Inc., a California S-corporation. Virgin-Fish, Inc. is owned by a single shareholder, Jeffrey Brush. Virgin-Fish, Inc. is also the sole member of Avalon Transportation, LLC, a California limited liability company ("Avalon Transportation") and sister company of Avalon. Avalon Transportation focuses on chauffeured services in its various cities and also on the California Motor Coach division, while Avalon focuses on the Texas Motor Coach division.

Avalon and Avalon Transportation currently operate offices in 5 locations for chauffeured services and 5 locations for motor coach services. Their chauffeured service offices are in Los Angeles, New York, San Francisco, New Jersey, and Philadelphia. Its motor coach offices are currently in San Jose, San Francisco, Phoenix, Orange County, Los Angeles, Beaumont, Houston, and San Antonio.

In addition to its major offices, Avalon Transportation provides service to its clients in over 550 domestic locations through its affiliate program. It maintains a current fleet of about 275 vehicles and is able to provide a vast array of services through its national affiliates. A chart depicting Avalon's corporate structure is below.



Wynne Transportation

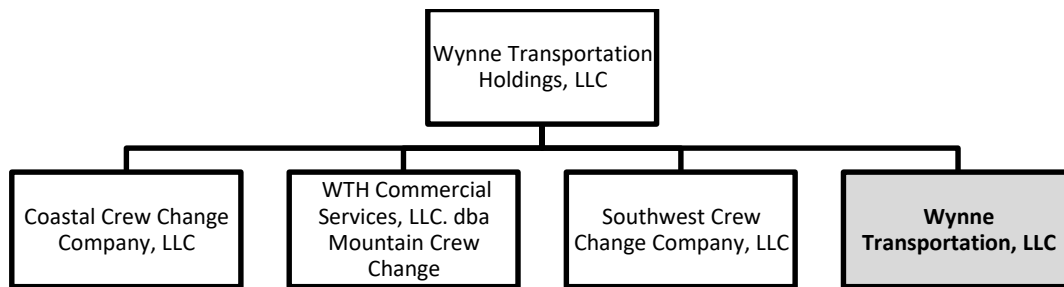
Wynne Transportation is a Texas charter bus operator. Wynne Transportation's parent company is Wynne Holdings. Wynne Holdings is also the parent of the Sister Subsidiaries, each of which is an affiliated crew change operation located throughout the United States. With a concentration in the Industrial Sector, the Wynne Transportation and the Sister Subsidiaries specialize in providing transportation for large scale industrial projects, short-term and long-term employee transportation, and transportation for emergency services.

Wynne Transportation and the Sister Subsidiaries operate as follows:

- Coastal Crew Change Company, LLC is headquartered in Lake Charles, Louisiana. Coastal Crew Change currently operates from Lake Charles, Louisiana and Gray, Louisiana. It has been engaged in industrial shuttle services for close to twenty years and covers a geographical area including Louisiana, Mississippi, Alabama, and Florida.
- WTH Commercial Services, LLC d/b/a Mountain Crew Change is headquartered in Elko, Nevada. Mountain Crew Change currently operates industrial shuttles within northern and central Utah. Mountain Crew Change's geographical area includes Nevada, Idaho, Montana, Wyoming, and Colorado.
- Southwest Crew Change Company, LLC is headquartered in Dallas, Texas and covers the states of Texas, New Mexico, and Arizona. In addition, Southwest Crew Change currently operates emergency services transportation in the state of Texas.

- Wynne Transportation, LLC is headquartered in Irving, Texas with a satellite location in Houston, Texas. Wynne Transportation has a concentration in group charters in Dallas, Texas and Houston, Texas. Wynne Transportation provides transportation services to corporations, professional sports teams, schools, bands, high school sports and field trips. Transportation is also provided for large citywide conventions and large events.

A chart depicting Wynne Holdings' corporate structure is below.



5. **Jurisdictional Statement (49 C.F.R. § 1182.2(a)(5)).**

The Applicants have earned aggregate gross operating revenues in excess of \$2 million during any consecutive 12-month period applicable under 49 U.S.C. § 14303(g), meeting the jurisdictional requirements set forth in such provision and 49 C.F.R. § 1182.2(a)(5).

6. **No Significant Environmental Impact (49 C.F.R. § 1182.2(a)(6)).**

The Transaction will likely have a neutral or even positive impact on the quality of the human environment and the conservation of energy resources. Wynne Transportation currently provides charter bus services in the Dallas and Houston markets. Avalon intends to provide the same services in the same communities following the consummation of the Transaction. Avalon will also modernize Wynne Transportation's fleet by replacing buses greater than twelve years old. Avalon's new vehicles will have enhanced safety features and will have cleaner diesel fuel engines with improved mileage, which will diminish the effect Wynne Transportation's operations currently have on the environment. Connecting Wynne Transportation's current resources and

routes to Avalon's will also create greater operational efficiency, which will have a positive environmental impact by decreasing vehicle time on the road.²

7. Consistency with the Public Interest (49 C.F.R. § 1182.2(a)(7)).

The Applicants assert that the Transaction is consistent with the public interest, including as relates to (a) the effect of the proposed transaction on the adequacy of transportation to the public; (b) the total fixed charges (e.g. interest) that result from the proposed transaction; (c) the interest of carrier employees affected by the proposed transaction; and (d) the effect of the proposed transaction on competition. Through the proposed acquisition of the assets and services of Wynne Transportation, the operations provided with those assets will be maintained, and continued adequate and efficient service will be provided to the public. Avalon is committed to maintaining and improving service to the public and maintaining employment of the Wynne Transportation workforce.

(a) Effect on Adequacy of Transportation to the Public

Avalon intends to improve transportation options for the public. Avalon has significant experience in Texas and other markets in providing transportation services, particularly charter services. It will use this experience to increase efficiency, by integrating Wynne Transportation's current services into Avalon's existing software platform and connecting its existing services to Wynne Transportation's.

Through the Transaction, Avalon will assume charter pricing agreements with charter customers such as universities and schools, athletic teams and other sport-related customers, the

² The Board has also found that environmental review is excluded in similar transactions relating to change of control. See, e.g. *Van Pool Transportation, LLC – Acquisition of Control – DS Bus Lines, Inc.*, 87 Fed. Reg. 160 (Aug. 19, 2022). 49 C.F.R. 1105.6(c) excludes transactions under 49 U.S.C. § 14303 from environmental review, provided they do not involve operational changes above certain thresholds.

military, churches, and corporate customers such as Bell Textron and Texas Instruments. This wide variety of clientele will continue to have their transportation needs met, and they will likely be able to increase or improve their options for transportation through Avalon's expansion of services. Avalon also intends to provide new vehicles, increasing the safety, comfort, and reliability of these groups' current transportation. As a result of the Transaction, Avalon will have a vested interest in ensuring services are provided that meet these passengers' transportation needs.

Wynne Transportation is currently one of the top three charter service providers in the Dallas Fort Worth area. In the absence of the Transaction, Wynne Transportation may need to shut down some or all of its operations, which would remove transportation options from its market. As discussed further below, this would decrease competition in these communities and make it harder for the public to obtain adequate transportation services.

(b) Fixed Charges

Avalon will be leveraging long-term relationships with multiple financial partners to acquire Wynne Transportation through a combination of cash, term notes, and the assumption of existing Wynne Transportation debt. It plans to refinance the assumed debt either with its own financial vendors or with the existing lenders to improve the terms of these loans. This may result in additional interest charges for Avalon, but not to a level that is likely to impact the public.

(c) Interest of Carrier Employees

Avalon is committed to maintaining the current workforce of Wynne Transportation, and plans to continue employing the 70 individuals currently on the payroll on the same terms and with increased potential opportunities as Avalon grows its business. Avalon will also seek to increase this workforce as part of a planned expansion of Wynne Transportation's existing services in the area. Avalon's goal as a result of the Transaction is to grow the existing business, so it has every

incentive to keep the current employees and to attract new ones. Without the Transaction, Wynne Transportation may need to decrease this workforce or shut down operations completely, which would have a direct and significant impact on the interests of carrier employees.

(d) Competition and the Public Interest

The law requires the Board to assess competition in the market and to assess the Transaction's potential impact on competition. In making such decisions, the Board and its predecessor, the Interstate Commerce Commission, have consistently approved "common control" arrangements, where two parties' operations are effectively merged into one entity. In such common control cases, charter bus services can improve in quality, via increased economies of scale, without any lessening to the market's competitive landscape. And in viewing the relevant market for passenger carriers, the Board and its predecessor have found that the carrier market includes both intra-modal competition and inter-modal competition, such as bus services and their alternatives. *See GLI Acquisition Co - Purchase - Trailways Lines, Inc.*, 4 I.C.C. 2d 591, 598-602 (1988). Some recent decisions approving common control carriers of this nature include *AAAH Regional Acquisition LLC - Acquisition of Control - First Class Tours, Inc. and Sierra Stage Coaches, Inc.*, STB Docket No. MCF 21087 (served November 1, 2019) and *Winthrop Sargent, John Cogliano, and Paul Fuerst - Acquisition of Control - Plymouth and Brockton Street Railway Company, Brush Hill Transportation Company, and McGinn Bus Company, Inc.*, STB Docket No. MCF 21089 (served January 3, 2020).

Texas is already one of the largest states by population and is growing. The demand for charter services in Texas is expected to continue increasing for the foreseeable future. Avalon and Wynne Transportation service different areas of Texas, with only minute overlap in one area, as described below. Avalon's Texas operations are based in San Antonio, with smaller operations in

Beaumont, Texas. Avalon's Beaumont operation has only two motorcoach buses that service the Houston market. Wynne Transportation's operations that are part of this Transaction are headquartered in Irving, Texas (part of the Dallas metropolitan area), with about twenty-eight motorcoaches. Wynne Transportation also has a satellite operation in Houston with ten motorcoaches.³ Pre-transaction, Avalon and Wynne Transportation's services do not overlap in the majority of Texas's main metropolitan areas, including Dallas, San Antonio, and Austin. Thus, the Transaction will have no competitive effects on the charter bus markets in Dallas, San Antonio, and Austin—no services formerly provided by Wynne Transportation will be diverted to those cities, nor will Avalon's services in those cities be reduced. Avalon estimates that there are a total of 250-300 buses competing in each of the Dallas and Houston markets; thus Wynne Transportation's operations are a small fraction of each market (around 10% in Dallas and 3-4% in Houston). And in Houston, where Avalon and Wynne Transportation combine for only twelve charter motorcoach buses in total, there is already vigorous competition among other available charter services. Other providers in Houston include Echo Tours and Charters, Western Motor Coach, Kerville Bus, and MegaBus Houston. Post-Transaction, those rivals will continue to compete directly with Avalon for the needs of Houston's citizens, with publicly-funded bus and rail services, and with private car transportation. With Texas's growing population, additional routes and providers will continue to be needed to keep up with Texas's increasing demands.

The Applicants submit that the Transaction is consistent with the public interest. At base, the Transaction is simply a change in the ownership of Wynne Transportation's assets, and the status quo of competitors will not change. There will be no reduction in competition, as Avalon

³ As of the date of this filing, Wynne Transportation's website additionally references a satellite operation in Austin, Texas, but this information is outdated. Wynne Transportation has closed its Austin operation.

and Wynne Transportation do not presently compete (except minutely in Houston). Avalon does not operate at all in the Dallas metropolitan area (where 74% percent of Wynne Transportation's thirty-eight motorcoach vehicles are located). Post-transaction, Avalon will operate Wynne Transportation's fleet in the Dallas metropolitan area. Because Wynne Transportation may shut down its Irving, Texas operations absent the Transaction, the Transaction will have an overall positive impact on competition in the Dallas metropolitan area going forward because service that may have been lost if Wynne Transportation were to exit will be retained just as it is now. The same is true in Houston. Additionally, in Houston, Avalon operates only two motorcoach buses, and Wynne Transportation has only a satellite location there, which operates just ten motorcoach buses in total. Thus, any competitive impacts to the Houston metropolitan area, which has an estimated 250-300 charter motorcoach buses in total, would be extremely minor. Furthermore, the Transaction will allow Avalon to take advantage of economies of scale that were previously unavailable to either Avalon or Wynne Transportation. This expanded network will allow for a more diverse set of services and routes. In sum, Avalon and Wynne Transportation are not competitors in their main markets; the Transaction will not impact the competitive carrier market in any of the metropolitan areas (Dallas and Houston) where Wynne Transportation currently operates, and neither competition nor the public interest will be adversely affected.

Board approval of this Application will allow the acquisition of control of Wynne Transportation's assets to be accomplished without the approval of state regulatory authorities, thus relieving the Transaction's parties from potentially burdensome regulatory requirements. *See* 49 U.S.C. § 14303(f).⁴

⁴ 49 U.S.C. § 14303(l) provides:
(footnote continued)

8. USDOT Safety Fitness Ratings (49 C.F.R. § 1182.2(a)(8)).

Each of the Applicants currently holds a current U.S. Department of Transportation safety rating of “None,” as they have not yet been rated by FMCSA or USDOT. Wynne Transportation applied for and received its certificate from the USDOT prior to January 31, 2019. Avalon received its certificate of authority from the USDOT on May 1, 2019. Since 2019, both of the Applicants have periodically requested the USDOT conduct its required review, but neither has received a response.

The Applicants’ affiliates hold safety ratings as follows as of January 9, 2023:

Avalon Transportation, LLC (Avalon affiliate)

Safety Rating: Satisfactory

Southwest Crew Change Company, LLC (Wynne Transportation affiliate)

Safety Rating: None

Coastal Crew Change Company, LLC (Wynne Transportation affiliate)

Safety Rating: Satisfactory

WTH Commercial Services, LLC (Wynne Transportation affiliate)

Safety Rating: None

9. Sufficient Insurance Coverage (49 C.F.R. § 1182.2(a)(9)).

A carrier or corporation participating in or resulting from a transaction approved by the [Surface Transportation] Board under this section, or exempted by the Board from the application of this section pursuant to section 13541, may carry out the transaction, own and operate property, and exercise control or franchises acquired through the transaction without the approval of a State authority. A carrier, corporation, or person participating in the approved or exempted transaction is exempt from the antitrust laws and from all other law, including State and municipal law, as necessary to let that person carry out the transaction, hold, maintain, and operate property, and exercise control or franchises acquired through the transaction.

Avalon certifies that it has the requisite insurance coverage under § 49 U.S.C. 13906(a) and (d) for the service it intends to provide.

10. Certification of Domicile (49 C.F.R. § 1182.2(a)(10)).

The Applicants certify that the Transaction does not involve the acquisition of operating rights by entities or individuals who are domiciled in Mexico or owned or controlled by persons of that country.

11. Statement on Individuals Holding Operating Authority (49 C.F.R. § 1182.2(a)(11)).

The Applicants certify that the Transaction does not involve the transfer of operating authority to an individual who will hold the authority in his or her name.

12. Certificate of Service (49 C.F.R. § 1182.3)

The Applicants certify that they have delivered copies of this Application by first-class mail to the appropriate regulatory body in each state in which intrastate operations are affected by the transaction. The Applicants additionally certify that they have delivered copies of this Application to the Federal Trade Commission, Bureau of Competition, Premerger Notification Office, and the U.S. Department of Justice, Pre-Merger Notification Unit. Because there are no transfers of operating authority, the Applicants have not delivered copies of this Application to the FMCSA.

13. Conclusion

In conclusion, the Applicants request that the Board approve this application pursuant to 49 U.S.C § 14303(f).

Signature page follows.

/s/ Barry M. Weisz

Barry M. Weisz
Thompson Coburn LLP
10100 Santa Monica Boulevard Suite 500
Los Angeles, CA 90067
P: 310 282 9448
Attorney for Avalon Motor Coaches, LLC

Dated: January 23, 2023

VERIFICATION

I, Jeffrey Brush, Manager of applicant Avalon Motor Coaches, LLC, verify under penalty of perjury, under the laws of the United States of America, that all information supplied in connection with this application is true and correct. Further, I certify that I am qualified and authorized to file this application or pleading. 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.

By: /s/ Jeffrey Brush
Name: Jeffrey Brush
Title: Manager of Avalon Motor Coaches,
LLC

VERIFICATION

I, John Montgomery, CEO of applicant Wynne Transportation, LLC, verify under penalty of perjury, under the laws of the United States of America, that all information supplied in connection with this application is true and correct. Further, I certify that I am qualified and authorized to file this application or pleading. 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.

By: /s/ John Montgomery
Name: John Montgomery
Title: CEO of Wynne Transportation, LLC