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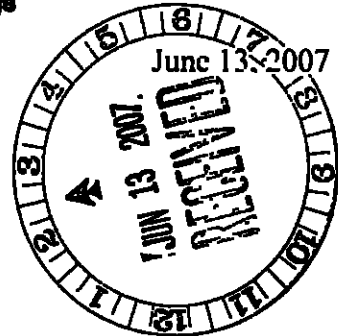
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ORIGINAL

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Office of Proceedings

JUN 13 2007

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VIA HAND DELIVERY - RETURN COPY



Hon. Vernon A. Williams  
Secretary  
Surface Transportation Board  
395 E Street, SW  
Washington, DC 20423

Dear Secretary Williams:

Enclosed for filing in STB Finance Docket No. MC-F-21021, FirstGroup plc—Acquisition—Cognisa Transportation, Inc., are the original and ten copies of the Verified Application of FirstGroup plc.

This firm's check for \$1,700.00 in payment of the filing fee is attached.

Additional copies of this letter and of the Application are enclosed for you to stamp to acknowledge your receipt of them and to return to me via the messenger.

If you have any questions concerning the foregoing which you believe I may be able to answer or if I otherwise can be of assistance, please let me know.

Sincerely yours,

**FEE RECEIVED**

JUN 13 2007

**SURFACE  
TRANSPORTATION BOARD**

*Fritz R. Kahn*  
Fritz R. Kahn

**FILED**

JUN 13 2007

**SURFACE  
TRANSPORTATION BOARD**

Enc.

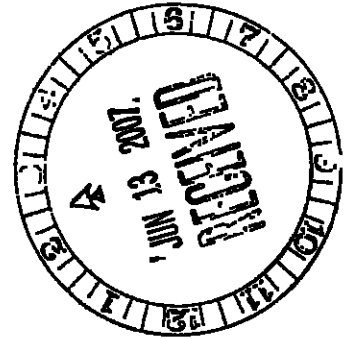
BEFORE THE  
SURFACE TRANSPORTATION BOARD  
WASHINGTON, D.C.

**ORIGINAL**

219528

STB Finance Docket No. MC-F-21021

FIRSTGROUP plc  
- ACQUISITION -  
COGNISA TRANSPORTATION, INC..



VERIFIED APPLICATION  
OF  
FIRSTGROUP plc

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Fritz R. Kahn  
Fritz R. Kahn, P.C.  
1920 N Street, NW (8<sup>th</sup> fl.)  
Washington, DC 20036-1601  
Tel.: (202) 263-4152

Attorney for

FIRSTGROUP plc

Dated: June 13, 2007

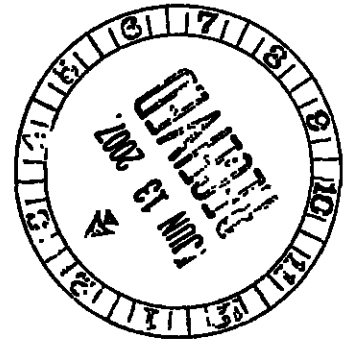
BEFORE THE  
SURFACE TRANSPORTATION BOARD  
WASHINGTON, D.C.

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STB Finance Docket No. MC-F- 21021

FIRSTGROUP plc  
– ACQUISITION –  
COGNISA TRANSPORTATION, INC..

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VERIFIED APPLICATION  
OF  
FIRSTGROUP plc

Applicant, FirstGroup plc of Aberdeen, Scotland ("FirstGroup"), pursuant to 49 U.S.C. 14303 and 49 C.F.R. 1182.1, et seq., seeks authority for its purchase of the properties of Cognisa Transportation, Inc. of Atlanta, Georgia ("Cognisa"), and in support thereof FirstGroup states, as follows:

I.

INTRODUCTION

FirstGroup is a United Kingdom based international transportation group providing services in the United Kingdom and North America. In North America, FirstGroup has three operating divisions: First Student, Inc., which operates the familiar yellow buses for school districts, First Transit, Inc., which operates or manages local transit systems, and First Services, Inc., which provides fleet vehicle maintenance and support services for municipalities and certain branches of the United States' armed forces.. FirstGroup's shares are traded on the London Stock

Exchange.<sup>1</sup>

FirstGroup seeks the Board's authorization indirectly to purchase the properties of Cognisa Transportation, Inc. bought by First Transit, Inc., effective January 1, 2007, without the advice of commerce counsel or the approval of the Board. The authorization of the Board is necessary because FirstGroup directly or indirectly controls one or more registered motor carriers of passengers, and Cognisa was a motor carriers of passengers. The gross operating revenues of the registered motor carriers of passengers of the two companies exceed \$2 million annually.

The acquisition has resulted in improved service to the public, greater opportunities for the companies' operating employees and savings in administrative and overhead costs and, accordingly, should be found by the Board to be consistent with the public interest.

## II.

### DESCRIPTION OF THE PARTIES

FirstGroup is a public limited company organized under the laws of Scotland. Its principal executive offices are located at 395 King Street, Aberdeen AB24 5RP, Scotland, United Kingdom

First Group's North American operations currently are organized under First Student, Inc., First Transit, Inc. and First Services, Inc. Both First Student, Inc. and First Transit, Inc. are controlled by FirstGroup America, Inc., a wholly-owned subsidiary of FirstGroup USA, Inc. First Services, Inc. is wholly owned by FirstGroup USA, Inc. A corporate organization chart of

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<sup>1</sup> By its Decision in STB Docket No. MC-F-21020, FirstGroup plc--Acquisition--Laidlaw International, Inc., served April 5, 2007, the Board tentatively approved FirstGroup's acquisition of Laidlaw International, Inc. and, among other things, directed FirstGroup to file the instant Application. In the absence of comments, the Board's approval of the acquisition became effective May 21, 2007.

FirstGroup is attached as Exhibit 1.

First Transit, Inc. is headquartered at 705 Central Avenue (Suite 300), Cincinnati, OH 45202. First Transit, Inc. is a leading passenger transportation contract and management company, providing operation, management and consulting services to transit authorities, departments of transportation, Federal agencies, municipal organizations and private companies for nearly 150 systems in 45 states, Canada and Puerto Rico. Its 6,500 employees operate and maintain over 5,300 vehicles, which provide over 200 million passenger trips per year.

First Transit, Inc. is registered as a motor common carrier of passengers rendering special and charter operations pursuant to authority received in Docket No. MC-576222, USDOT No 1002211. It is unrated.

Cognisa is headquartered at 200 River Edge Parkway, Atlanta, GA 30328. It was a provider of transportation services, primarily in the airport, university and corporate passenger shuttle market. Cognisa was registered as a motor common carrier of passengers rendering special and charter operations pursuant to authority received in Docket No. MC-548215, USDOT No. 1351755. It was unrated.

### III.

#### DESCRIPTION OF THE TRANSACTION

First Transit, Inc., unaided by commerce counsel and without the prior approval of the Board, purchased the properties of Cognisa, effective January 1, 2007. The assets bought by First Transit, Inc. included the buses of Cognisa, its assignable contracts, its customer lists and its goodwill, all of which in the meantime have been absorbed by, and merged into, First Transit, Inc. Cognisa remains a corporate entity without transportation assets, however.

## IV

### PUBLIC INTEREST FACTORS

The indirect purchase of the properties of Cognisa by FirstGroup fully satisfies the standards of 49 U.S.C. 14303 which the Board must consider in determining whether the considered transaction is consistent with the public interest.

The effect of the transaction on the adequacy of transportation to the public. The acquisition of the assets of Cognisa by FirstGroup has achieved operational and efficiency advantages, accruing to the benefit of segments of the traveling public. First Transit, Inc. and Cognisa were a natural fit. Having acquired the assets of Cognisa, First Transit, Inc. has been able to provide the public and contracting authorities with a greater variety of transportation service options than it heretofore has been able to provide. Excess vehicles have been phased out, and equipment stock, such as spare parts, have been reduced. While First Transit, Inc., has attempted to provide services more efficiently, there has been no reduction of services to contracting authorities or the public arising from its purchase of the Cognisa assets. The savings that the acquisition has achieved will permit the First Transit, Inc. to be more competitive in bidding for contracts for services which would otherwise be performed by airport authorities, universities and corporations. As a result of lower costs and increased competition, First Transit, Inc. will be able to provide improved and safer transportation services to airline passengers and employees, students and corporate commuters.

The fixed charges that resulted from the transaction. First Transit, Inc. paid cash for the Cognisa properties and assumed leases on vehicles and property resulting in no increase in fixed charges.

The interest of carrier employees affected by the transaction All of Cognisa's drivers were employed by First Transit, Inc. or offered employment by First Transit, Inc.

V.

SAFETY FITNESS CERTIFICATION

Neither First Transit, Inc. nor Cognisa has been rated.

VI.

INSURANCE COVERAGE CERTIFICATION

First Transit, Inc. has the required amount of bodily injury and property damage insurance in compliance with 49 U.S.C 13906.

VII.

CERTIFICATION OF DOMICILE

First Transit, Inc. and Cognisa are not domiciled in Mexico or owned or controlled by persons of that country.

VIII.

ENVIRONMENTAL CERTIFICATION

The transaction has not, and will not, significantly affect the quality of the human environment and the conservation of energy resources, and no environmental documentation is required, pursuant to 49 C.F.R. 1105.6(c)(2).

IX.

CONCLUSION

FirstGroup's indirect purchase of the properties of Cognisa was, and is, consistent with the public interest and did not have, and will not have, adverse effects on the adequacy of

transportation service or the interests of Cognisa's former employees. To the contrary, the purchase has benefitted segments of the traveling public and the drivers operating the companies' buses through the synergies, savings and efficiencies which resulted from the absorption by First Transit, Inc. of the assets of Cognisa. The Board, accordingly, should approve the transaction.

Respectfully submitted,

FIRSTGROUP plc

By its attorney,

A handwritten signature in black ink, appearing to read "Fritz R. Kahn", with a stylized flourish extending to the right.

Fritz R. Kahn

Fritz R. Kahn, P.C.

1920 N Street, NW (8<sup>th</sup> fl.)

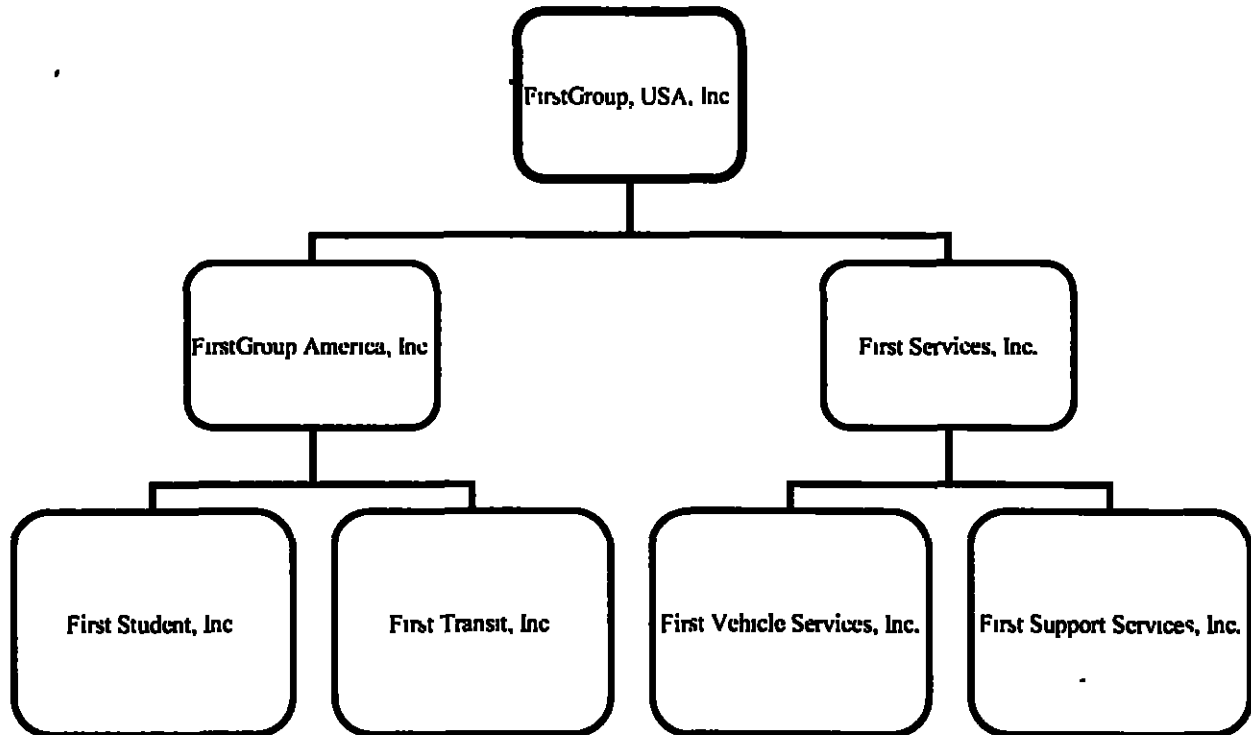
Washington, DC 20036-1601

Tel.: (202) 263-4152

Dated: June 13, 2007

**Exhibit 1**

## **FirstGroup – United States\***

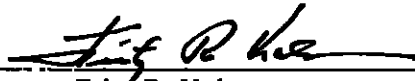


\*Corporate Reporting  
Structure

## CERTIFICATE OF SERVICE

I certify that copies of the foregoing Verified Application have been mailed, with first-class postage prepaid, to the appropriate regulatory body in each of the states in which Cognisa operated, to the Director of Operations, Antitrust Division, U. S. Department of Justice, 601 D Street, NW (Room 1013), Washington, DC 20530, Premerger Notification Office, Bureau of Competition, Federal Trade Commission, 600 Pennsylvania Avenue, NW (Room 303), Washington, DC 20580 and to the Chief, Licensing and Insurance Division, Federal Motor Carrier Safety Administration, U.S. Department of Transportation, 400 7<sup>th</sup> Street, S.W (Room 8208), Washington, DC 20590.

Dated at Washington, DC, this 13<sup>th</sup> day of June 2007.

  
\_\_\_\_\_  
Fritz R. Kahn

## VERIFICATION

I, Sidney Barrie, Secretary of FirstGroup plc, declare under penalty of perjury, under the laws of the United States of America, that I have read the foregoing Verified Application and that its assertions are true and correct to the best of my knowledge, information and belief. I further declare that I am qualified and authorized to submit this verification on behalf of FirstGroup plc.

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.

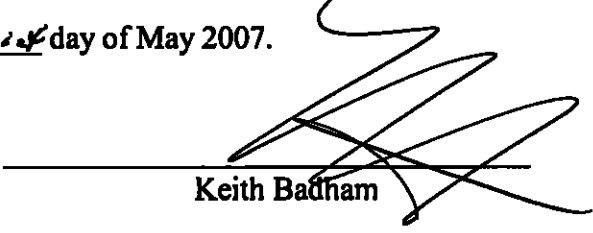
Dated at Aberdeen this 8th of May 2007.

  
Sidney Barrie

## VERIFICATION

I, Keith Badham, President and Chief Executive Officer of Cognisa Transportation, Inc., declare under penalty of perjury, under the laws of the United States of America, that I have read the foregoing Verified Application and that its assertions were true and correct at the time of the closing of the subject transaction, to the best of my knowledge, information and belief. I further declare that I am qualified and authorized to submit this verification on behalf of Cognisa Transportation, Inc

Dated at Atlanta, GA, this 31<sup>st</sup> day of May 2007.



Keith Badham