

51471
EB

SERVICE DATE – NOVEMBER 10, 2022

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. MCF 21102

WEDRIVEU, INC.—ACQUISITION OF CONTROL—
TRANSACTION CORPORATE SHUTTLE, INC.

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Approving and Authorizing Finance Transaction.

SUMMARY: On October 13, 2022, WeDriveU, Inc. (WeDriveU or Applicant), a noncarrier, filed an application for WeDriveU to acquire direct control of an interstate passenger motor carrier, TransAction Corporate Shuttle, Inc. (TCS), from its sole shareholder, Cynthia C. Frené (Seller). The Board is tentatively approving and authorizing this transaction. If no opposing comments are timely filed, this notice will be the final Board action.

DATES: Comments must be filed by December 26, 2022. If any comments are filed, WeDriveU may file a reply by January 9, 2023. If no opposing comments are filed by December 26, 2022, this notice shall be effective on December 27, 2022.

ADDRESSES: Comments may be filed with the Board either via e-filing on the Board's website or mailing to the Board's offices. Comments may be e-filed at www.stb.gov/proceedings-actions/e-filing/other-filings/ and must reference Docket MCF 21102. Mailed comments may be sent to: Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of comments must be sent to WeDriveU's representative: Andrew K. Light, Scopelitis, Garvin, Light, Hanson & Feary, P.C., 10 W. Market Street, Suite 1400, Indianapolis, IN 46204.

FOR FURTHER INFORMATION CONTACT: Amy Ziehm at (202) 245-0391. Assistance for the hearing impaired is available through the Federal Relay Service at (800) 877-8339.

SUPPLEMENTARY INFORMATION: According to the application, WeDriveU is a California corporation headquartered in Burlingame, Cal. (Appl. 2.) WeDriveU is indirectly and wholly owned and controlled by National Express Group, PLC (NEG), a publicly held British corporation listed on the London Stock Exchange since 1992.¹ NEG does not have interstate carrier authority. (*Id.*) NEG owns and controls all equity and voting interest in the following

¹ More information about NEG's corporate structure and ownership can be found in the application. (*See* Appl. at 2, 8, Ex. B.)

interstate motor carriers (collectively, the Affiliate Regulated Carriers) that hold interstate passenger motor carrier authority:²

- A&S Transportation, Inc., which primarily provides non-regulated student school bus transportation and occasional charter passenger services in Delaware, Florida, Georgia, Indiana, Louisiana, and Texas;
- Durham School Services, L.P., which primarily provides non-regulated student school bus transportation and occasional charter passenger services in 32 states;
- Fox Bus Lines Inc., which does business as Silver Fox Coaches and provides airport shuttle services in Massachusetts; interstate and intrastate passenger charter services in Massachusetts and the surrounding areas, and tour services in and to areas of New York City, Boston, and other parts of New England;
- Petermann Ltd., which primarily provides non-regulated student school bus transportation and occasional charter passenger services in Ohio;
- Petermann STSA, LLC, which primarily provides non-regulated student school bus transportation and occasional charter passenger services in Kansas;
- Quality Bus Service LLC, which primarily provides non-regulated student school bus transportation and occasional charter passenger services in New York's Orange and Ulster counties;
- Transit Express Inc., which provides paratransit services in the Milwaukee, Wis., metropolitan area;
- Trinity, Inc., which provides non-regulated student school bus transportation and motor coach charter passenger services in southeastern Michigan;
- Trinity Student Delivery LLC, which primarily provides non-regulated student school bus transportation and occasional charter passenger services in the Toledo and Cleveland areas in Ohio;
- WeDriveU America LLC, which provides interstate and intrastate passenger charter services in Illinois, Indiana, and surrounding states;
- White Plains Bus Company, Inc., which does business as Suburban Paratransit Services and primarily provides non-regulated student school bus transportation, paratransit, and limited charter services in Westchester County, N.Y.; and
- Wise Coaches, Inc., which provides intrastate passenger charter and shuttle services in Tennessee and interstate passenger charter services in Tennessee and surrounding states.

According to the application, NEG also has operating subsidiaries that provide transportation services not involving regulated interstate transportation or requiring interstate passenger authority in the United States (together with the Affiliate Regulated Carriers, the Applicant Subsidiaries). (*Id.* at 2.)

The application explains that TCS, the motor carrier being acquired, is a Massachusetts corporation that provides fixed-route commuter, municipal shuttle bus, and on-demand transportation services for employees of businesses and communities in Massachusetts, as well

² Further information about these motor carriers, including U.S. Department of Transportation (USDOT) numbers, motor carrier numbers, and USDOT safety fitness ratings, can be found in the application. (*See id.* at 2-7, Ex. A.)

as minibus, van, and limousine charter services.³ (Id. at 7.) TCS utilizes approximately 103 passenger vehicles and employs approximately 89 drivers. (Id.) TCS holds interstate operating authority under FMCSA Docket No. MC-522885 and has a USDOT Safety Rating of “Satisfactory.”⁴ According to the application, TCS is solely owned by Seller, who does not directly or indirectly own or control any other interstate passenger motor carrier. (Id.) WeDriveU says that it will acquire all issued and outstanding equity stock interest of TCS as a result of this transaction, which will place TCS under WeDriveU and NEG’s control. (Id. at 8.)

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 resulting from the proposed transaction, and (3) the interest of affected carrier employees. WeDriveU has submitted the information required by 49 C.F.R. § 1182.2, including information demonstrating that the proposed transaction is consistent with the public interest under 49 U.S.C. § 14303(b), see 49 C.F.R. § 1182.2(a)(7), and a jurisdictional statement under 49 U.S.C. § 14303(g) that the aggregate gross operating revenues of the involved carriers exceeded \$2 million during the 12-month period immediately preceding the filing of the application, see 49 C.F.R. § 1182.2(a)(5). (See Appl. 9-13.)

WeDriveU asserts that the proposed transaction is not expected to have a material, detrimental impact on the adequacy of transportation services available to the public. (Id. at 9.) WeDriveU states that TCS will continue to operate and provide its services under the same name used prior to this transaction, but that it will operate within the NEG corporate family, which is experienced in passenger transportation operations. (Id. at 9-10.) WeDriveU explains that the Affiliate Regulated Carriers operate in some of the same market segments already served by TCS, so this acquisition is expected to result in improved operating efficiencies, increased equipment utilization rates, and cost savings derived from economies of scale, all of which will help to ensure the provision of adequate service to the public. (Id. at 10.) WeDriveU also asserts that the addition of TCS to the NEG corporate family will enhance the viability of the overall NEG organization and the Applicant Subsidiaries. (Id.)

WeDriveU claims that neither competition nor the public interest will be adversely affected by this proposed transaction. (See id. at 11-13.) WeDriveU explains that the market for the transportation services provided by TCS is competitive in the area where TCS operates due to the significant number of competing local, regional, and national charter service providers operating within the same area, including A&A Metro Transportation, M & L Transit Systems, Boston Coach, Academy Bus, and Local Motion of Boston. (Id. at 12.) In addition, WeDriveU notes that TCS competes directly with other types of passenger service providers, including scheduled rail and bus transportation within the area. (Id.) Finally, WeDriveU states that the area in which TCS operates is geographically “dispersed” from the service areas of the Affiliate

³ WeDriveU states that TCS will convert to an LLC prior to the closing of the transaction. (Appl. 1 n.1.)

⁴ Additional information about TCS, including information about operations pursuant to state authority, can be found in the application. (See id. at 7.)

Regulated Carriers and that there is “very limited overlap” in the service areas and customer bases among the Affiliate Regulated Carriers and TCS. (Id. at 13.)

WeDriveU states that the proposed transaction will increase fixed charges in the form of interest expenses because funds will be borrowed to assist in financing the transaction, but it maintains that the increase will not impact the provision of transportation services to the public. (Id. at 10-11.) WeDriveU also represents that the transaction is not expected to have substantial impacts on employees or labor conditions, and it does not anticipate a measurable reduction in force or changes in compensation levels or employment benefits. (Id. at 11.) However, WeDriveU acknowledges that staffing redundancies could result in limited downsizing of back-office or managerial personnel. (Id.)

Based on WeDriveU’s representations, the Board finds that the acquisition as 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 C.F.R. § 1182.6. If no opposing comments are filed by expiration of the comment period, this notice will take effect automatically and will be the final Board action.

This action is categorically excluded from environmental review under 49 C.F.R. § 1105.6(c).

Board decisions and notices are available at www.stb.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 December 27, 2022, unless opposing comments are filed by December 26, 2022. If any comments are filed, Applicant may file a reply by January 9, 2023.
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: November 4, 2022.

By the Board, Board Members Fuchs, Hedlund, Oberman, Primus, and Schultz.