

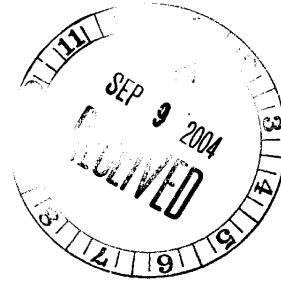


A Virginia
Professional
Corporation

September 9, 2004

BY LEGAL COURIER
Order #332811

Honorable Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423



Re: CUSA RAZ, LLC d/b/a Raz Transportation Company Purchase and Acquisition of Control of the Assets and Operations of Raz Transportation Company - MCF-21007

EXPEDITED HANDLING REQUESTED

Dear Secretary Williams:

Enclosed please find:

- the original and ten copies of an application pursuant to 49 U.S.C. §14303(a) for approval of a transaction involving the acquisition of the assets and operations of a federally regulated motor carrier of passengers, Raz Transportation Company;
- a check in the amount of \$1,500 for payment of the filing fee;
- a floppy disk containing the proposed *Federal Register* notice in Microsoft Word format and a printed copy of same; and
- a copy of this letter to be date stamped to acknowledge the date of time we filed this application.

We respectfully request the Board's expeditious handling of the Application as set out at Page 2 of this Application.

Please contact the undersigned, counsel for the purchaser, or Laura Walker, counsel for the seller, should you need further assistance.

Yours truly,

Stephen Flott

Enclosures (4)

cc: Laura Walker, Esq.

Parties as Identified on the Application's Certificate of Service

FILED

SEP 09 2004

TRANSPORTATION BOARD

ENTERED
Office of Proceedings

SEP 09 2004

Part of
Public Record

P.O. Box 17655
Courthouse Postal
Station
Arlington, Virginia
22216-7655

2009 North 14th Street
Suite 600
Arlington, Virginia
22201-2514

703.525.5110
703.525.5122 FAX
www.flottco.com

ORIGINAL

EXPEDITED ACTION REQUESTED

BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C.

211963

STB DOCKET NO. MCF-21007

CUSA RAZ, LLC d/b/a Raz Transportation Company

-- ACQUISITION OF ASSETS AND BUSINESS OPERATIONS --

RAZ TRANSPORTATION COMPANY



ENTERED
Office of Proceedings

SEP 09 2004

Part of
Public Record

VERIFIED APPLICATION
OF

CUSA RAZ, LLC d/b/a Raz Transportation Company

Applicant CUSA RAZ, LLC d/b/a Raz Transportation Company ("CUSA RAZ" or "Applicant") of 5430 LBJ Freeway, 3 Lincoln Center, Suite 1075, Dallas, Texas 75240, pursuant to 49 U.S.C. 14303 and 49 CFR 1182.1 *et seq.*, seeks Surface Transportation Board ("Board") approval to acquire the assets and business operations of Raz Transportation Company ("Raz"), a federally authorized motor passenger carrier ("Seller").

In support of this Application, CUSA RAZ states as follows:

REQUEST FOR EXPEDITED BOARD ACTION

Applicant respectfully requests that the Board expedite its processing and treatment of this Application, and, if possible, publish a tentative decision in this matter within 15 days of this application's filing or as soon thereafter as possible. Such expedited processing is within the Board's statutory authority and is consistent with its obligation to promote the public interest.

This transaction will have no impact on the service now provided to the public, who will continue to receive the same type and quality of service from the Applicant as that now provided by the Seller. Upon closing of the transaction following approval by the Board, CUSA RAZ will continue to carry on the business now conducted by Raz. The Applicant is wholly owned by CUSA, LLC, a non-carrier, which in addition to CUSA RAZ owns eighteen federally regulated and several non-federally regulated motor carriers.¹ CUSA, LLC ("CUSA") is in turn wholly owned by KBUS Holdings, LLC ("KBUS"), which is also a non-carrier.² The transaction itself will not close until the Board's approval has been obtained. Thus, an expedited decision will reduce transactional uncertainty and facilitate the Applicant's transition efforts.

1. Name, Address and Telephone Numbers of the Parties:

For the Applicant

CUSA RAZ, LLC d/b/a Raz Transportation Company
% Stephen P. Flott, Esq.
Flott & Co. PC
PO Box 17655
Arlington, Virginia 22216
Tel: (703) 525-5110

For the Seller

Raz Transportation Company.
% Laura J. Walker, Esq.
Cable Huston Benedict Haagensen & Lloyd LLP
1001 SW 5th Avenue, Suite 2000
Portland, OR 97204
Tel: (503) 224-3092

¹ A list of all of the federally regulated motor carriers owned by CUSA is attached to this application as Appendix A.

² Board approved the acquisition by KBUS of the assets and business conducted by 30 federally regulated motor carriers then owned by Coach USA, Inc. in STB Docket No. MC-F-21000, issued July 23rd, 2003, a copy of which is attached to this Application as Appendix B. The assets and business acquired by KBUS have been consolidated into the eighteen federally regulated carriers listed in Appendix A plus several non-federally regulated entities.

2. Information about the Parties

Applicant:

Applicant is a new company. CUSA created it to purchase the assets and business being acquired from Raz. CUSA RAZ has an application pending with the Federal Motor Carrier Safety Administration ("FMCSA") to obtain Contact and Common carrier operating rights. In the year since completing the transaction approved by the Board in STB Docket No. MC-F-21000, CUSA has successfully reorganized the assets and businesses acquired into a number of federally and non-federally regulated companies. Annual revenues for the CUSA group of companies for 2004 are forecast to be \$220 million. The companies in the CUSA group operate more than 1,000 coaches and 600 other revenue vehicles in 35 states and have more than 3,500 employees. The experienced senior management team that CUSA now has in place has identified the acquisition of Raz as a strategic way to expand its market scope in the Pacific Northwest.

Seller:

Raz is a passenger carrier operating in the Western United States pursuant to authority granted in Docket No. MC-153581 Sub 2, which was originally issued to Century Stages, Inc. d/b/a Raz Transportation Co. The company now operates as Raz Transportation Company.

The Applicant is not acquiring Raz's operating authority. CUSA RAZ has applied for operating authorities as described above with which to conduct the business now being carried out by Raz under its operating authority.

3. Description of the Proposed Transaction

Applicant has entered into an agreement with Raz and its shareholders to buy the assets, including vehicles, and business operations of Seller (the "Agreement"). The Agreement is

scheduled to close no earlier than September 15, 2004, but in any event not before Board approval of this Application. Applicant will operate the business pursuant to its own federal operating authority. Applicant's purchase of Seller's assets and business operations requires Board authorization pursuant to 49 USC § 14303(a)(5). The federal operating authority currently held by the Seller will, upon consummation of this transaction, be surrendered.

4. Affiliated Motor Passenger Carriers, their Operations and Relationships

Seller is not affiliated with any other carrier. Applicant is owned by CUSA, a non-carrier, which is in turn owned by KBUS, another non-carrier. KBUS, through CUSA, controls the FMCSA registered motor passenger carriers listed in Appendix A.

5. Jurisdiction Statement

The Board has jurisdiction over this matter under 49 USC 14303(g), because the annual aggregate gross operating revenue of the Seller exceeds \$2 million.

6. Environmental Impact

The parties assert approval of this application will not constitute a Federal action having a significant effect on the quality of the human environment and the conservation of energy resources. There will be no operational changes as a consequence of the transaction described in this application.

7. Consistency with the Public Interest

Adequacy of Transportation Services to the Public

The proposed transaction will have no adverse impact on the adequacy of transportation services available for the public.

The proposed transaction involves the acquisition of a successful business, which was founded by members of the Raz family in 1937 and has operated in the Pacific Northwest for

more than sixty-five years. The Applicant, as a subsidiary of CUSA, is part of a new, but successful and well-funded industry group, lead by a management team with extensive bus industry experience.

CUSA RAZ intends to continue the business of Raz essentially in the same manner in which it is now being conducted. The public will not be affected by the transaction. The three experienced professional managers who now run Raz will continue to operate the acquired assets as employees of the Applicant. CUSA RAZ will be integrated into the centralized management structure that KBUS established under CUSA when it entered the business industry last year. Further, CUSA will be able to extend its advantages of volume purchasing power in areas such as equipment and fuel to this new acquisition. This will facilitate the ability of the new operating entity to provide efficient public service.

Board approval of this Application also will relieve Applicant of the need to seek state approval that might otherwise be required. This will reduce regulatory burdens and allow the transaction to proceed in an efficient manner.

Fixed Charges

The proposed transaction will have no effect on total fixed charges.

Employee Interests

No carrier employees will be adversely affected by the contemplated transaction. All qualified employees of the Seller who wish to continue employment will be offered employment with CUSA RAZ.

8. Safety Fitness Ratings

Raz has a satisfactory safety rating. The federally regulated motor carriers owned by CUSA have satisfactory safety ratings or are as yet not rated as shown on Exhibit A attached hereto. CUSA RAZ, being an applicant for motor carrier registration, has no fitness rating.

9. Insurance

Upon being registered as a motor carrier of passengers, CUSA RAZ will have in place the required \$5 million of BIPD insurance.

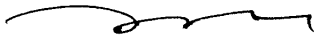
10. Mexican Domicile or Control

Applicant, CUSA and KBUS are not domiciled in Mexico or controlled by persons of that country.

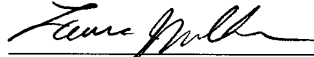
Respectfully submitted,

For CUSA RAZ, LLC

For Raz Transportation Company



Stephen Flott, Esq.
Flott & Co. PC
PO Box 17655
Arlington, VA 22216-7655
Tel: 703-525-5110, ext. 26
Fax: 703-525-5122



Laura J. Walker, Esq.
Cable Huston Benedict Haagensen & Lloyd LLP
1001 SW 5th Avenue, Suite 2000
Portland, OR 97204
Tel: (503) 224-3092
Fax: (503) 224-3176

STB Docket No. MCF-21007 - Appendix A

**CUSA, LLC Entities with MC#, USDOT #, DOT Safety Rating & EIN
(updated as of 09/9/2004)**

Carrier Name	MC #	US DOT #	Safety Rating	EIN
CUSA, LLC	MC # 471723	1183818	Unrated	65-1193523
CUSA ASL, LLC d/b/a Arrow Stage Lines	MC # 465199	1167618	Unrated	20-0152030
CUSA AT, LLC d/b/a Americoach Tours	MC # 463166	1167631	Unrated	20-0152071
CUSA AWC, LLC d/b/a All West Coachlines	MC # 465200	1167523	Unrated	20-0152084
CUSA BCCAE, LLC d/b/a Blackhawk-Central City Ace Express	MC # 463169	1167642	Unrated	20-0152017
CUSA CC, LLC d/b/a Airport Bus of Bakersfield	MC # 465201	1167647	Unrated	20-0151999
CUSA CC, LLC d/b/a Antelope Valley Bus	MC # 463167	1167647	Unrated	20-0151999
CUSA CC, LLC d/b/a California Charters	MC # 465198	1167647	Unrated	20-0151999
CUSA EE, LLC d/b/a El Expreso	MC # 463171	1167656	Unrated	20-0151982
CUSA ELKO, LLC d/b/a K-T Contract Services Elko	MC #467153	1167661	Unrated	20-0154648
CUSA ES, LLC d/b/a Express Shuttle	MC # 463168	1167664	Unrated	20-0151941
CUSA FL, LLC d/b/a Franciscan Lines	MC # 465197	1167666	Unrated	20-0151920
CUSA FTT, LLC d/b/a Fun Time Tours	MC # 463172	1167670	Unrated	20-0151907
CUSA GBL, LLC d/b/a Grosvenor Bus Lines	MC # 463174	1167668	Unrated	20-0151920
CUSA GCBS, LLC d/b/a Goodall's Charter Bus Service	MC # 463173	1167671	Satisfactory	20-0151891
CUSA GCT, LLC d/b/a Gulf Coast Transportation	MC # 465196	1167675	Satisfactory	20-0151833
CUSA KBC, LLC d/b/a Kerrville Bus Company	MC # 463270	1167678	Unrated	20-0151808
CUSA K-TCS, LLC d/b/a K-T Contract Services	MC # 463271	1167677	Unrated	20-0151741
CUSA K-TCS, LLC d/b/a Arizona Charters	MC # 468081	1167677	Unrated	20-0151741
CUSA NC, LLC d/b/a Nevada Charters	MC # 465263	1167637	Unrated	20-0151724
CUSA PCSTC, LLC d/b/a Pacific Coast Sightseeing Tours & Charters	MC # 463273	1167672	Unrated	20-0151701
CUSA PRTS, LLC d/b/a Powder River Transportation Services	MC # 463274	1167669	Satisfactory	20-0151591

33753
EB

SERVICE DATE - JULY 23, 2003

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. MC-F-21000

**KBUS HOLDINGS, LLC — ACQUISITION OF ASSETS AND BUSINESS OPERATIONS —
ALL WEST COACHLINES, INC., ET AL.**

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Approving Finance Transaction.

SUMMARY: KBUS Holdings, LLC (KBUS or Applicant), a noncarrier, has filed an application under 49 U.S.C. 14303 to purchase and merge the assets and business operations of: All West Coachlines, Inc. (MC-212056); American Charters & Tours, Inc. (MC-153814); Americoach Tours, Ltd. (MC-212649); Antelope Valley Bus, Inc. (Antelope) (MC-125057); Airport Bus of Bakersfield, Inc., a subsidiary of Antelope (MC-163191); Arrow Stage Lines, Inc. (MC-029592); Bayou City Coaches, Inc. (MC-245246); Blackhawk, Central City Ace Express, Inc. (MC-273611); Browder Tours, Inc. (MC-236290); California Charters, Inc. (MC-241211); Desert Stage Lines, owned by Antelope (MC-140919); El Expreso, Inc. (MC-244195); Express Shuttle, Inc. (MC-254884); Franciscan Lines, Inc. (MC-425205); Fun Time Tours, Inc. (MC-176329); Goodall's Charter Bus Service, Inc. (MC-148870); Grosvenor Bus Lines, Inc. (MC-157317); Gulf Coast Transportation Company (MC-201397); Kerrville Bus Company, Inc. (MC-27530), and 3 subsidiaries, Community Rentals Company (MC-257338), Sunset Tours & Travel, Inc. (MC-241422), and William Timothy Vaught d/b/a Vaught Bus Leasing Company (MC-209574); K-T Contract Services, Inc. (MC-218583); PCSTC, Inc. (MC-184852); Powder River Transportation Services, Inc. (MC-161531); Royal West Tours & Cruises, Inc. (MC-239135); Stardust Tours-Memphis, Inc. (MC-318341); Texas Bus Lines, Inc. (MC-037640); Travel Impressions, LLC (MC-340826); Valen Transportation, Inc. (MC-212398); and Worthen Van Service, Inc. (MC-142573) (collectively, Sellers). Persons wishing to oppose this application must follow the rules at 49 CFR 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 must be filed by September 8, 2003. Applicant may file a reply by September 22, 2003. If no comments are filed by September 8, 2003, this notice is effective on that date.

STB Docket No. MCF-21007 - Appendix B

STB Docket No. MC-F-21000

ADDRESSES: Send an original and 10 copies of any comments referring to STB Docket No. MC-F-21000 to: Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, send one copy of any comments to applicant's representative: Stephen Flott, Flott & Co. PC, PO Box 17655, Arlington, VA 22216-7655.

FOR FURTHER INFORMATION CONTACT: Beryl Gordon, (202) 565-1600. [Federal Information Relay Service (FIRS) for the hearing impaired: 1-800-877-8339.]

SUPPLEMENTARY INFORMATION: KBUS is a private limited liability company organized under the laws of the state of Delaware by Kohlberg & Company, LLC (Kohlberg), a noncarrier. Kohlberg is a private equity firm specializing in middle market investments. KBUS, which was specifically created to undertake this transaction, entered into an agreement with the Sellers to buy the assets, including vehicles, and business operations of the Sellers and to take over vehicle leases. KBUS is undertaking this transaction under Kohlberg Fund IV, which closed in 2001 with a total capital of \$576 million.

KBUS is a noncarrier and will remain a noncarrier after this transaction. Applicant plans to consolidate the assets and business operations of the Sellers into two entities: a leasing company and CUSA, LLC (CUSA). The leasing company will acquire the vehicles and CUSA will conduct carrier operations. CUSA has applied for twelve operating authorities from the Federal Motor Carrier Safety Administration to operate as a motor contract and common carrier of passengers in interstate commerce, in order to accommodate the twenty-four operating names under which CUSA intends to carry on business. The Federal operating authorities currently held by each of the Sellers will, upon consummation, be surrendered.

Under 49 U.S.C. 14303(b), the Board must approve and authorize a transaction found to be 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.

Applicant has 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). Applicant states that the proposed transaction will not reduce competitive options, adversely impact fixed charges, or adversely impact the interests of employees of companies whose assets and businesses are being acquired. It asserts that granting the application will allow CUSA to take advantage of economies of scale and substantial benefits offered by Applicant, including interest cost savings and reduced operating costs. Additional information, including a copy of the application, may be obtained from Applicant's representative.

STB Docket No. MCF-21007 - Appendix B

STB Docket No. MC-F-21000

On the basis of the application, the Board finds that the proposed transaction 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."

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

It is ordered:

1. The proposed finance transaction 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 vacated.
3. This decision will be effective on September 8, 2003, 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, 400 7th Street, S.W., Room 8214, 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, 400 7th Street, S.W., Washington, DC 20590.

Decided: July 17, 2003.

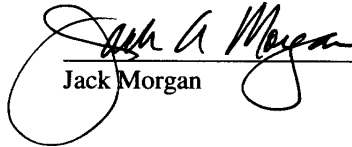
By the Board, Chairman Nober.

Vernon A. Williams
Secretary

VERIFICATION

I, Jack Morgan, Chief Financial Officer of CUSA RAZ, LLC, declare under penalty of perjury, under the laws of the United States of America, that I have read the foregoing Verified Application of CUSA RAZ, LLC d/b/a Raz Transportation Company 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 CUSA RAZ, LLC d/b/a Raz Transportation Company, the purchaser of assets being acquired from Seller. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 USC 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 USC 1621, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.

Dated at Dallas, Texas, this 31st day of August, 2004.



Jack Morgan

VERIFICATION

I, Henry S. Raz, President, Raz Transportation Company, declare under penalty of perjury, under the laws of the United States of America, that I have read the foregoing Verified Application of CUSA RAZ, LLC d/b/a Raz Transportation Company 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 Raz Transportation Company. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 USC 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 USC 1621, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.

Dated at Portland, Oregon, this 7th day of September 2004.


Henry S. Raz, President
Raz Transportation Company

Certificate of Service

I hereby certify that I have served a copy of the foregoing Application on the following entities by serving a copy thereof as follows:

By causing to be hand delivered to:

Director of Operations
Antitrust Division
US Department of Justice
601 D Street, NW, Room 1013
Washington, DC

Premerger Notification Office
Bureau of Competition
Room 303
Federal Trade Commission
Washington, DC 20580

By mailing a copy thereof, via first class mail, postage prepaid, to:

Chief, Licensing & Insurance Division
U.S.D.O.T. Office of Motor Carriers-HIA 30
400 Virginia Avenue, SW, Suite 600
Washington, DC 20004

California Public Utilities Commission
Attn: Licensing Division
505 Van Ness Ave.
San Francisco, CA 94102

Gary Gramlick
Colorado Public Utility Commission
Office Level Two
1580 Logan Street
Denver, CO 80203

Jennifer Finke
Motor Carrier Audit Supervisor
Motor Carrier Services
Idaho Division of Motor Vehicles
PO Box 7129
Boise, ID 83707

Nickie Eck
Montana Public Service Commission
Transportation & Centralized Services Division
P.O. Box 202601
Helena, MT 59620-2601

Nevada Department of Business and Industry
Transportation Services Authority
Administrative & Filing Office
2290 S. Jones Boulevard, Suite 110
Las Vegas, NV 89146

Motor Carrier Services
Utah Department of Transportation
4501 South 2700 West
Box 148240
Salt Lake City, UT 84114-8240

Licensing Services
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250

Mr. Gregg Da Ponte
ODOT Motor Carrier Division Administrator
Oregon Department of Transportation
550 Capital Street NE
Salem, OR 97301-2530

Ms. Sherell Hayes
Manager, Motor Vehicle Services
Regulatory Section
Department of Transportation
5300 Bishop Boulevard
Cheyenne, WY 82009-3340

Dated at Arlington, Virginia, this 9th day of September 2004.



Stephen Flott