

**SURFACE TRANSPORTATION BOARD
MEMORANDUM**

Date 5-7-03

TO: Microfilm Unit Staff

FROM: Management Information and Legal Support Services,
Office of Proceedings

SUBJECT: REDOCKETED FILING(S) IN FD 34352 National Express Corporation

The filing(s) in the above-referenced proceeding should be redocketed as follows:

MCF 20999 National Express Corporation

Check the appropriate box:

☒ A copy of the filing to be redocketed is attached.

☐ A list of filings received to date to be redocketed is attached.

Please correct any copies of the subject filing(s) that you may have in your possession.

Attachment

cc: Commissioners

Records Officer

Working Office (Office with lead responsibility for working the case)

207735

May 5, 2003

Via Hand Delivery

Mr. Timothy Cambridge
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

MEF 20999

RE: STB Docket No. ~~FD-34352~~, *National Express Corporation—Intra-Corporate Family Transaction*

Dear Mr. Cambridge:

Pursuant to our phone call this afternoon, enclosed please find the replacement pages you requested showing the newly assigned docket number for the verified notice of exemption filed this afternoon on behalf of National Express Corporation.

If you have any questions, please do not hesitate to contact me. My office telephone number is (202) 331-8800.

Sincerely,

Michael H. Higgins

Thomas W. Wilcox
Michael H. Higgins

FILED

MAY 5 2003

Attorneys for National Express Corporation

FEE RECEIVED

MAY 05

ENTERED
Office of Proceedings

**SURFACE
TRANSPORTATION BOARD**

MAY 05 2003

Part of
Public Record

May 5, 2003

Via Messenger

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RE: STB Docket No. ~~FD-34352~~ ^{MCF 20999}; *National Express Corporation—Intra-Corporate Family Transaction*

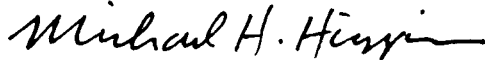
Dear Secretary Williams:

Enclosed please find an original and ten (10) copies of the Verified Notice of Exemption of National Express Corporation ("NEC") to be filed in the above-referenced docket pursuant to 49 C.F.R. § 1182.9. NEC has enclosed a check in the amount of \$1,300 payable to the Surface Transportation Board for the filing fee required for this verified notice.

Also enclosed is one additional copy of the pleading for stamp and return. Kindly date-stamp the additional copy for return to this office by messenger.

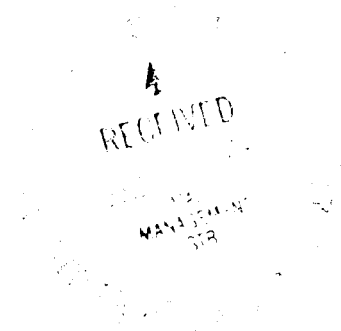
If you have any questions, please do not hesitate to contact me. My office telephone number is (202) 331-8800.

Sincerely,



Thomas W. Wilcox
Michael H. Higgins

Attorneys for National Express Corporation



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

MCF 20999
STB DOCKET NO. ~~FD-34352~~

RECEIVED

**NATIONAL EXPRESS CORPORATION
—INTRA-CORPORATE FAMILY TRANSACTION—**

**VERIFIED NOTICE OF EXEMPTION
OF
NATIONAL EXPRESS CORPORATION**

Thomas W. Wilcox
Michael H. Higgins
THOMPSON HINE LLP
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 331-8800

*Attorneys for
National Express Corporation*

Dated: May 5, 2003

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

MCE 20999
STB DOCKET NO. ~~FD-34352~~

RECEIVED

MAINTENANCE
STB

**NATIONAL EXPRESS CORPORATION
—INTRA-CORPORATE FAMILY TRANSACTION—**

**VERIFIED NOTICE OF EXEMPTION
OF
NATIONAL EXPRESS CORPORATION**

Comes now, Applicant, National Express Corporation ("NEC"), a non-carrier, pursuant to 49 U.S.C. § 14303 and 49 C.F.R. § 1182.9, and, through its undersigned counsel, submits this Verified Notice of Exemption for the Intra-Corporate Family Transaction more fully described herein:

Preliminary Statement: NEC completed the transaction described herein on or about December 31, 2002 without the benefit of transportation counsel. Upon recognizing that the transaction might be subject to the jurisdiction of the Surface Transportation Board, NEC consulted with and retained such counsel. It now files this Verified Notice of Exemption upon the advice of its counsel.

1. Brief summary of proposed transaction: NEC has reorganized the corporate structure of its student transportation division, which, in addition to providing exempt school bus services pursuant to 49 U.S.C. § 13506(a)(1), provides charter passenger carrier services to the public.¹ Through the reorganization, NEC merged certain directly and indirectly controlled

¹ See STB Docket No. MC-F-20968, *National Express Group P.L.C., et al.—Control Exemption—School Services and Leasing, Inc., et al.* (Served Aug. 25th 2000). In this decision, the Board granted an exemption to NEC from the prior approval requirements of 49 U.S.C. § 14303(a)(5) to acquire five motor passenger carriers: School Services and Leasing, Inc. (MC-250907); School Services and Leasing of Massachusetts, Inc.; Student Bus Services, Inc.; Helweg and Farmer Transportation Company, Inc. (MC-337007); and, Swope Farm & Livestock Company,

subsidiaries into a single Delaware limited partnership, Durham School Services, L.P. (“DSSLP”), a motor passenger carrier. NEC retains its ultimate ownership and control of DSSLP because it is the sole member of Durham Holding II, L.L.C. and Durham Holding I, L.L.C., respectively the general partner and limited partner of DSSLP, both of which are non-carriers.

The reorganization may be summarized as follows:²

- Durham Transportation, Inc., a California corporation (“DTI CA”), was re-incorporated in Delaware as Durham Transportation, Inc., a Delaware corporation (“DTI DE”), through the incorporation of DTI DE in Delaware and the merger of DTI CA into DTI DE.
- NEC assigned shares of DTI DE to Durham Holding I, L.L.C. (“Durham Holding I”), the limited partner of DSSLP, in exchange for the sole membership interest in Durham Holding I, and NEC assigned the remaining shares of DTI DE to Durham Holding II, L.L.C. (“Durham Holding II”), the general partner of DSSLP, in exchange for the sole membership interest in Durham Holding II.
- DTI DE was converted into Durham School Services, L.P. (“DSSLP”), a Delaware limited partnership with Durham Holding I and Durham Holding II as its limited and general partner, respectively.
- NEC’s second-tier subsidiaries were merged into its first-tier subsidiaries (i.e., (a) Winkels Transportation Co. into Robinson Bus Service, Inc. and (b) School Services and Leasing of Massachusetts, Inc. and Student Bus Service, Inc. into School Services and Leasing, Inc.
- NEC contributed the all of the outstanding shares of the first tier operating subsidiaries to a newly formed Delaware corporation (“Newco”).
- NEC’s first-tier operating subsidiaries were merged into Newco. These operating subsidiaries included Crabtree-Harmon Corporation, Robinson Bus Services, Inc., Educo Transit Company, Kenneth E. Bauman Bus, Inc., School Services and Leasing, Inc., Helweg & Farmer Transportation Co., Inc. and Stock Transportation L.L.C.
- Newco was merged into DSSLP.

Inc. (MC-128026). At the time of the transaction, NEC’s existing subsidiaries included: ATC Vancom, Inc.; Kenneth E. Bauman Bus, Inc; Durham Transportation, Inc.; Crabtree-Harmon Corporation; Forsythe & Associates, Inc; Multisystems, Inc; and Robinson Bus Service, Inc. (MC-2844(Sub-No. 7)).

² Pre-restructuring and post-restructuring corporate flow charts are attached hereto as Exhibit A.

2. Names, addresses, and telephone numbers of the applicant and affected entities:

Applicant

National Express Corporation
9011 Mountain Ridge Drive
Suite 200
Austin, TX 78759
(512) 343-6292

Affected directly or indirectly owned subsidiaries (corporate address and phone)

Durham Transportation, Inc.
9011 Mountain Ridge Drive
Suite 200
Austin, TX 78759
(512) 343-6292
(MC 163066)

Crabtree-Harmon Corporation
9011 Mountain Ridge Drive
Suite 200
Austin, TX 78759
(512) 343-6292
(MC 413486)

Robinson Bus Service, Inc.
9011 Mountain Ridge Drive
Suite 200
Austin, TX 78759
(512) 343-6292
(MC 2844)

Winkels Transportation Co.
9011 Mountain Ridge Drive
Suite 200
Austin, TX 78759
(512) 343-6292

School Services and Leasing
of Massachusetts, Inc.
9011 Mountain Ridge Drive
Suite 200
Austin, TX 78759
(512) 343-6292

Student Bus Service, Inc.
9011 Mountain Ridge Drive
Suite 200
Austin, TX 78759
(512) 343-6292

School Services and Leasing, Inc.
9011 Mountain Ridge Drive
Suite 200
Austin, TX 78759
(512) 343-6292
(MC 250907)

Kenneth E. Bauman Bus, Inc.
9011 Mountain Ridge Drive
Suite 200
Austin, TX 78759
(512) 343-6292
(MC 168991)

Educo Transit Company
9011 Mountain Ridge Drive
Suite 200
Austin, TX 78759
(512) 343-6292

Helweg & Farmer Transportation Co., Inc.
9011 Mountain Ridge Drive
Suite 200
Austin, TX 78759
(512) 343-6292
(MC 337007)

Stock Transportation, L.L.C.
9011 Mountain Ridge Drive
Suite 200
Austin, TX 78759
(512) 343-6292

3. Name, address, and telephone number of counsel to whom questions may be addressed:

Thomas W. Wilcox
Michael H. Higgins
Thompson Hine LLP
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 331-8800

4. Purpose of the transaction: NEC accomplished the reorganization of the school services entities for purposes of realizing certain financial, operational and other efficiencies. Because of the reorganization NEC will be able to maximize the value of each of the business segments, position the business segments for strategic alliances and/or growth, and protect intellectual property assets. The reorganization will also simplify accounting and accountability for revenue, expenses, and profits of the operations.

5. Consummation date: As noted in the Applicant's Preliminary Statement, this transaction was consummated on or about December 31, 2002, before the applicant retained transportation counsel.

6. Contracts or agreements: Since all of the stock of the affected entities was held by the Applicant, directly or indirectly, no agreement or contract was entered into, except for the corporate documentation and filings required to implement the reorganization.

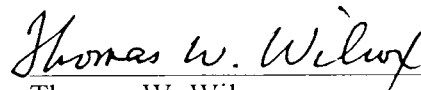
7. Effect on employees: There will be no significant effect upon the employees of the companies involved in the reorganization, as all have been retained.

8. Effect on the environment and energy resources: Because the operations of the companies involved in the reorganization will remain the same as prior to the transaction, it is not anticipated that the transaction will have a significant effect on the quality of the human environment or the conservation of energy resources.

9. Mexican ownership: None of the affected companies is domiciled in Mexico or controlled by persons of that country.

10. Certification: The proposed transaction within the corporate family of NEC, a non-carrier, will not result in adverse changes in service levels, significant operational changes, or changes in the competitive balance with motor passenger carriers outside the corporate family.

Respectfully submitted,



Thomas W. Wilcox
Michael H. Higgins
THOMPSON HINE LLP
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 331-8800

*Attorneys for
National Express Corporation*

May 5, 2003

Verification

I, Joseph P. Jahnke, Chief Financial Officer of National Express Corporation declare under penalty of perjury, under the laws of the United States of America, that I have read the foregoing Verified Notice of Exemption and that its statements 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 National Express Corporation. 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, I know that 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.

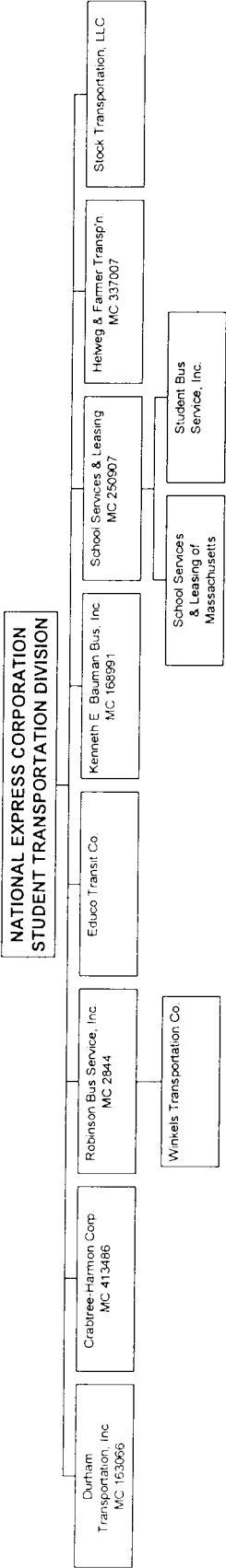
Dated at Austin, TX, this 29th of April 2003.



Exhibit A

Legal Structure of the US School Bus Division

Pre-Restructuring:



US School Bus – Active Legal Entities

January 1, 2003

Post-Restructuring:

