

ORIGINAL

EXPEDITED ACTION REQUESTED
BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C.



FINANCE DOCKET NO. MC-F-21010

2/01/11A

2/2262

CUSA FL, LLC d/b/a FRANCISCAN LINES
-- ACQUISITION OF ASSETS AND BUSINESS OPERATIONS --
PACIFIC COAST BUS SERVICE, INC.

ENTERED
Office of Proceedings

OCT 18 2004

Part of
Public Record

VERIFIED APPLICATION AND
REQUEST FOR INTERIM APPROVAL

FEE RECEIVED

OCT 18 2004

SURFACE
TRANSPORTATION BOARD

FILED

OCT 18 2004

SURFACE
TRANSPORTATION BOARD

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

Attorney for CUSA FL, LLC d/b/a
Franciscan Lines

Ronald C. Chauvel, Esq.
GREENE, CHAUVEL, DESCALSO &
MINOLETTI
951 Mariner's Island Blvd., Suite 630
San Mateo, CA 94404-1561
Telephone: (650) 573-9500 Ext. 111

Attorney for Pacific Coast Bus Service, Inc.

ENTERED
Office of Proceedings

OCT 18 2004

Part of
Public Record

BEFORE THE
SURFACE TRANSPORTATION BOARD

210117A
FINANCE DOCKET NO. MC-F-21010-TA

CUSA FL LLC D/B/A FRANCISCAN LINES
-- ACQUISITION OF ASSETS AND BUSINESS OPERATIONS --
PACIFIC COAST BUS SERVICE, INC.



FEE RECEIVED
OCT 18 2004

SURFACE
TRANSPORTATION BOARD

REQUEST FOR INTERIM APPROVAL

FILED
OCT 18 2004
SURFACE
TRANSPORTATION BOARD

Pursuant to 49 U.S.C. §14303(i) and 49 C.F.R. §1182.7, Applicant, CUSA FL, LLC d/b/a Franciscan Lines ("CUSA FL" or "Applicant"), of 300 Toland Street, San Francisco, CA 94124, hereby requests interim approval from the Surface Transportation Board ("Board") for the purchase of the assets and passenger service operations of Pacific Coast Bus Service, Inc. ("Pacific Coast" or "Seller"). Pacific Coast is a federally authorized motor passenger carrier

As described more fully below, interim approval is warranted in this case because failure to grant it may result in the loss of these assets or in the substantial devaluation of the assets for the purposes of providing adequate and continuous passenger services to the public. The parties respectfully request that the Board act on this Request for Interim Approval ("Request") by no later than October 22nd, 2004 as they are planning to close the transaction on or about October 29th, 2004.

By Verified Application ("Application") accompanying this Request, CUSA FL seeks authority to control and operate certain assets of Pacific Coast pursuant to a transaction between

Applicant and Seller (the "Transaction"). Following completion of the Transaction, Pacific Coast will cease providing motor passenger service to the public, and its owners and employees will join Applicant as part of its operation. Granting this Request will allow CUSA FL to utilize the assets being acquired to continue, uninterrupted, to provide the bus service to the public now being provided by Pacific Coast as of the expected closing of the Transaction, well before final Board action on the Application, which will not take place before the end of November 2004 at the earliest if no adverse comments are filed.

The showing required by 49 C.F.R. §1182.7(b) is met in these circumstances because failure to grant this Request may substantially interfere with the future usefulness of the Pacific Coast property being acquired by Applicant in providing adequate and continuous motor passenger service to the public. The owners of the Seller are faced with the loss of the lease on their principal facility, which is now on a month-to-month basis, and lack an acceptable, long-term alternative. The need of the Seller's business for new capital to expand and the requirement that the owners provide their personal guarantees to obtain both a reasonable long-term lease and new capital for expansion, prompted the owners to decide to sell or discontinue the business. Applicant's desire and ability to quickly integrate Pacific Coast's business and personnel into its own operations immediately led the parties to agree to a prompt sale and purchase of the Pacific Coast assets and business in order that Pacific Coast's existing operations would not be impaired or discontinued by the sudden loss of its lease and the consequential need to cease operations on short notice.

The Applicant proposes to continue to provide the services now being offered by Pacific Coast provided that the Transaction is approved by the Board on an interim basis so that there is no interruption of Pacific Coast's business operations pending the Board's consideration of the

Transaction. Given Pacific Coast's precarious lease position, interim approval will ensure that there is no interruption of operations and that the assets that the Applicant has agreed to purchase will retain their value and be put to use for the benefit of the public during the completion of this regulatory proceeding.

Although being made on somewhat short notice, this Request has been dictated by business considerations of the parties. The Applicant and Pacific Coast reached an agreement in principal on August 31, 2004 and final agreement on the Transaction earlier today, October 18th, 2004, agreeing that this Request would be made as quickly as possible thereafter. If this Request is not granted quickly, Pacific Coast may be forced to curtail its operations resulting in loss of service to the traveling public in Northern California.

The Board has granted interim approval applications on very short notice in recent years in circumstances similar to those described here. The most recent example is *Stagecoach Group PLC and Coach USA, Inc., et al. – Acquisition and Consolidation of Assets – Rockford Coach Lines, LLC*, STB Docket MC-F-210006 TA (served April 29, 2004) (application granted within two weeks of filing because sellers were no longer willing to absorb losses). *See also Northwest Motor Coach LLC – Control – Evergreen Stage Line, Inc. and Evergreen Bus Co., Inc.*, STB Docket No. MC-F-20956 (served October 18, 1999) (application for interim approval granted within two weeks of request because owners were not willing to invest further in the carriers).

The Seller's lease position and the lack of a workable alternative for its owners are no different than the circumstances that existed in the foregoing cases in which the Board granted interim approval. Both involved the lack of sufficient capital to continue and the risk of imminent closure and loss of service to the public, as does this case.

For the above reasons, the parties respectfully ask that this Request be granted by October 22nd, 2004 in order to preserve the value and efficacy of the Pacific Coast assets and operations and to meet the Applicant's business needs to close the Transaction on or about October 29th, 2004.

Respectfully submitted,

For CUSA FL, LLC



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

For Pacific Coast Bus Service, Inc.



Ronald C. Chauvel
Greene, Chauvel, Descalso & Minoletti
951 Mariner's Island Blvd., Suite 630
San Mateo, CA 94404
Tel. 650-573-9500
Fax. 650-573-9689