

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

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STB DOCKET MC-F-21130 TA

**JEFFERSON PARTNERS, L.P.
DBA JEFFERSON LINES**

**REQUEST FOR INTERIM APPROVAL
UNDER 49 U.S.C. § 14303(i)**

Pursuant to 49 U.S.C. § 14303(i) and the Board’s rules under 49 C.F.R. Part 1182.7, Jefferson Partners, L.P., dba Jefferson Lines, (“Applicant”), a federally-authorized motor carrier of passengers, USDOT 116763, MC-252540, hereby requests the interim approval of the Applicant’s plan to acquire the assets of and operate Karst Stage, Inc., a federally-authorized motor carrier of passengers. As explained more fully herein and in the Verified Application for Approval, Applicant will acquire and control one hundred percent of Karst Stage, Inc., a federally-authorized motor carrier of passengers, USDOT 30118, MC-52298, providing charter bus service from its home in Bozeman, Montana.

Applicant has established a new corporate entity, Karst Stage, LLC, Tax ID No. 33-2641783, which will take over the operations of Karst Stage, Inc. and operate as a motor carrier of passengers under USDOT No. 4343705, MC-1697480. The corporate address for Karst Stage, LLC is Minneapolis, Minnesota, the same as applicant, but Karst Stage, LLC will continue to conduct its charter bus operations from Bozeman, Montana.

Applicant proposes to continue operating Karst Stage, LLC as a separate motor carrier of passengers providing interstate and intrastate charter bus service. The two motor carriers will

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operate as separate companies with distinct operations but will take advantage of economies of scale that result from being under an affiliated corporate structure.

Placing the two carriers under one corporate umbrella will enable the Applicants to take advantage of economies of scale to strengthen their individual operations. Additionally, the transaction will allow Karst Stage, LLC to continue operations in the future. Karst Stage, Inc.'s sole owner, Mr. Dan Martin, plans to retire and desires to sell the company to an entity that will manage the company's ongoing operations, protect the current employees, and provide for future growth of its charter bus service. Mr. Martin has already relocated from Bozeman, Montana to a new home in New Mexico and wants to complete this transaction as expeditiously as possible to effect his retirement. The parties plan and desire to close this transaction by January 31, 2025 or as soon thereafter as possible.

The Applicant and Karst plan to consolidate several management functions using Jefferson Partners, L.P. to own and operate the Karst fleet. This consolidation will allow the carriers to share those costs and responsibilities, making the overall operation more efficient than if the two carriers were to act independently. The savings realized from the streamlined operations will be invested back into the carriers, enabling them to purchase newer, more energy-equipped and lower emission vehicles over time and providing safer, more efficient transportation options to the travelling public. Further, the reduced operating costs will allow the Applicant and Karst to enhance their purchasing power, further strengthening their overall financial position and improving the safety and efficiency of their fleets.

Timing is of the essence in the proposed transaction. Karst needs an influx of new capital to attention to help it grow and develop. At present, Mr. Martin is faced with incurring debt to purchase newer equipment and for building a new facility and has been reluctant to do so given

the longer-term return on these investments and his desire to sell the company and retire. The carrier has two material contracts that come up for renewal in mid-2025 and Applicant wants to work with the customers prior to renewal so that it will have an opportunity to retain the key customers that make up about 40% of Karst's current revenue stream and avoid employee cuts.

The Board has consistently granted applications for interim approval similar to this one in which the applicants will realize losses without interim approval of the transaction and where time is of the essence. *See, e.g.,* STB Docket No. MC-F-20902 TA, *Colorado Mountain Express, Inc., and Airport Shuttle Colorado, Inc., d/b/a Aspen Limousine Service, Inc.—Consolidation and Merger (Interim Approval)*—*Colorado Mountain Express*, (served Nov. 13, 1996), slip op at 1 ("Applicants state that they are incurring losses in their separate operations and assert that the proposed merger will permit them to operate more efficiently and profitably and to provide more effective and economical service to the public."); STB Docket No. MC-F-20988 TA, *Holland America Line-Westours, Inc.—Control—Westours Motor Coaches, Inc., Evergreen Trails, Inc., Westmark Hotels of Canada Ltd., and Horizon Coach Lines Ltd.*, (served Feb. 1, 2002), slip op at 1 (application for interim approval granted when parties indicated a requirement that they meet a February 1 target date due to the seasonal nature of the tour industry).

CONCLUSION

For the reasons stated herein, the Applicant respectfully requests that the Board grant this Request for Interim Approval.

Respectfully submitted,

/s/ Richard P. Schweitzer

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January 22, 2025

CERTIFICATE OF SERVICE

I hereby certify that on this 22nd day of January, 2025, I served a copy of the foregoing Verified Application for Acquisition of Control of Motor Carriers of Passengers Under 49 U.S.C. 14303 and Request for Interim Approval as follows:

By Overnight Delivery to:

Federal Motor Carrier Safety Administration
Chief, Commercial Enforcement Division
Office of Enforcement and Compliance
West Building, 1200 New Jersey Avenue, S.E.
6th Floor
Washington, D.C. 20590

By Overnight Delivery to:

Montana Department of Transportation
Motor Carrier Services
PO Box 4639
Helena, MT 59604-4639

/s/ Richard P. Schweitzer

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