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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

**IN THE MATTER OF
VAN POOL TRANSPORTATION LLC
-- ACQUISITION OF CONTROL --
F. M. KUZMESKUS, INC.
DOCKET NO. MCF 21099**

**VERIFIED APPLICATION UNDER 49 U.S.C. § 14303(a)
FOR APPROVAL OF THE ACQUISITION OF CONTROL OF
F. M. KUZMESKUS, INC.
BY VAN POOL TRANSPORTATION LLC**

Van Pool Transportation LLC ("Applicant") respectfully submits this verified application under 49 U.S.C. § 14303 and Surface Transportation Board (the "STB" or "Board") regulations at 49 C.F.R. Part 1182 (this "Application") for approval of the contemplated transaction more fully described herein (the "Transaction"). The Transaction entails the direct acquisition of control by Applicant of the regulated interstate passenger motor carrier, F. M. Kuzmeskus, Inc., doing business as Travel Kuz ("Travel Kuz"), from its shareholders, Darlene Kuzmeskus, Michael Doyle and Pamala Reipold (collectively, "Sellers").

**FEE RECEIVED
June 14, 2022
SURFACE
TRANSPORTATION BOARD**

**FILED
June 14, 2022
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I. Parties of the Transaction, Pertinent Operating Authorities, and USDOT Safety Fitness Ratings (49 C.F.R. § 1182.2(a)(1) and (2)).¹

A. Purchaser: Applicant. Applicant is a Delaware limited liability company, headquartered at 70 Post Office Park, Suite 7003, Wilbraham, MA 01095. Applicant is not a federally-regulated carrier, and Applicant does not have a U.S. Department of Transportation Number (“USDOT No.”), Federal Motor Carrier Safety Administration Docket Number (“FMCSA Docket No.”)², or a safety rating assigned by U.S. Department of Transportation (“Safety Rating”)³; however, Applicant owns and controls all of the equity and voting interest in four (4) interstate passenger motor carriers (described and defined below as the “Affiliate Regulated Carriers”) that are among its operating subsidiaries (the “Applicant Subsidiaries”). Applicant, with the Applicant Subsidiaries, are experienced and reliable providers of transportation services to the public, delivering passenger transportation and mobility solutions for regional transit authorities, school districts, health insurance companies, retirement communities, other organizations, and the traveling public primarily in the Northeastern portion of the United States. Among the Applicant Subsidiaries are the following federally regulated passenger carriers: NRT Bus, Inc. (“NRT”), Trombly Motor Coach Service, Inc. (“Trombly”), Salter Transportation, Inc. (“Salter”), and Easton Coach Company, LLC (“Easton,” and together with NRT, Trombly and Salter, the “Affiliate Regulated Carriers”). The services provided by Applicant and the Applicant Subsidiaries, excluding the Affiliate Regulated Carriers, do not involve regulated interstate

¹ This Application is organized to follow the elements set forth in the applicable rules of the Board at 49 C.F.R. § 1182.2(a).

² An FMCSA Docket No. is the reference number assigned to a motor carrier by Federal Motor Carrier Safety Administration for interstate motor carrier authority.

³ Certain of the motor carriers have not been rated by FMCSA or USDOT. If a carrier has not been rated, the Safety Rating is denoted as “None.”

transportation or require interstate passenger authority, and the services provided by the Affiliate Regulated Carriers that require interstate passenger motor carrier authority (interstate charter services) are a relatively small and limited part of those services.

B. Affiliate Regulated Carriers of Applicant. Applicant owns and controls the following passenger motor carriers that hold interstate passenger motor carrier authority:

(i) NRT. NRT is a Massachusetts corporation, providing primarily non-regulated school bus transportation services in the commonwealth of Massachusetts, and occasional charter services at times that its vehicles are not in use for school activities. The business address, along with USDOT Number, FMCSA Docket No. and Safety Rating assigned to NRT are set forth on the Summary Table attached hereto as Exhibit A (the "Summary Table"). The geographic service area of NRT is all within the commonwealth of Massachusetts, east and north of the city of Worcester, and north of the city of Boston, providing services in the counties of Essex, Middlesex, Norfolk, Suffolk and Worcester. The approximate number and types of vehicles utilized by NRT, as well its approximate number of drivers are also set forth on the Summary Table.

(ii) Trombly. Trombly is a Massachusetts corporation primarily providing non-regulated school bus transportation services in the commonwealth of Massachusetts, and occasional charter services at times that its buses are not in use for school activities. The business address, along with USDOT Number, FMCSA Docket No. and Safety Rating assigned to Trombly are set forth on the Summary Table. The geographic service area of Trombly is primarily the Merrimack Valley within the commonwealth of Massachusetts, with services being provided in the counties of Essex and Middlesex. The approximate number and types of vehicles

utilized by Trombly, as well its approximate number of drivers are also set forth on the Summary Table.

(iii) Salter. Salter is a Massachusetts corporation providing primarily non-regulated school bus transportation services in the commonwealth of Massachusetts and the state of New Hampshire, and occasional charter services at times that its buses are not in use for school activities. The business address, along with USDOT Number, FMCSA Docket No. and Safety Rating assigned to Salter are set forth on the Summary Table. The geographic service area of Salter is southern New Hampshire and the North Shore area in Massachusetts (Essex County). The approximate number and types of vehicles utilized by Salter, as well its approximate number of drivers are also set forth on the Summary Table.

(iv) Easton. Easton is a Delaware limited liability company providing (a) intrastate paratransit, shuttle and line-run services under contracts with regional transportation authorities and other organizations, primarily in eastern Pennsylvania and the state of New Jersey, and (b) private charter motor coach and shuttle services, interstate and intrastate, primarily in eastern Pennsylvania. The business address, along with USDOT Number, FMCSA Docket No. and Safety Rating assigned to Easton are set forth on the Summary Table. The approximate number and types of vehicles utilized by Easton, as well its approximate number of drivers are also set forth on the Summary Table.

C. Sellers. Each of Sellers is an individual resident of the commonwealth of Massachusetts, having a business address of 52 Main Road, Gill, MA 01354. All of the issued and outstanding shares of Travel Kuz are held by Sellers, and Sellers do not own or control

any interstate passenger motor carrier other than Travel Kuz. No Seller is a carrier, and no Seller has a USDOT No., FMCSA Docket No., or a Safety Rating.

D. Travel Kuz. Travel Kuz is Massachusetts corporation headquartered at 52 Main Road, Gill, MA 01354. The USDOT Number assigned to Travel Kuz is 519274. The service offerings of Travel Kuz are (i) non-regulated school bus transportation services for schools and school districts in the areas of Western Massachusetts and Southern Vermont (the “Service Areas”), (ii) intrastate and interstate motor coach and limousine charter services for activities such as group outings, weddings, events and field trips in the Service Areas, and (iii) limited intrastate and interstate charter services utilizing school buses. Travel Kuz maintains terminals for its operations in Gill, MA, Shelburne Falls, MA, and Brattleboro VT. In providing its service offerings, Travel Kuz utilizes approximately 158 passenger vehicles (13 motor coaches, 130 school buses, 13 vans (1-8), 1 van (9-15), and 1 limousine (1-8)), and employs approximately 150 drivers. Travel Kuz holds interstate carrier operating authority under FMCSA Docket No. MC-205423. Travel Kuz also holds intrastate carrier operating authority issued by the Massachusetts Department of Public Utilities, License No. 14821, and Travel Kuz holds an applicable carrier permit for access to Acadia National Park. Travel Kuz has a “Satisfactory” USDOT Safety Rating. The Service Areas of the passenger service offerings of Travel Kuz do not overlap with the geographic areas of the service offerings of Applicant and the Applicant Subsidiaries.

II. Description of the Transaction (49 C.F.R. § 1182.2(a)(3)).

The event triggering STB jurisdiction over the Transaction is the acquisition of the issued and outstanding shares of Travel Kuz by Applicant, the effect of which will be to place Travel Kuz under the control of Applicant. As such, STB’s jurisdiction is invoked by 49 U.S.C. § 14303(a)(5), as the Transaction will entail the “acquisition of control of a carrier [*i.e.*, Travel

Kuz] by a person that is not a carrier but that controls any number of carriers [*i.e.*, Applicant].”

III. Other Federally Regulated Carrier Affiliates (49 C.F.R. § 1182.2(a)(4)).

Other than the Affiliate Regulated Carriers and Travel Kuz as described above, there are no other carriers with regulated interstate operations involved in this Application. The Transaction will result in Travel Kuz being acquired, owned and controlled by Applicant, and Sellers having no control of any regulated interstate passenger carrier. The intercorporate structure of Applicant is as follows:

Applicant is wholly owned by VP Intermediate Company, a Delaware corporation and non-carrier holding company (“VP Intermediate”). VP Intermediate is wholly owned by Beacon Mobility Corp., a Delaware corporation and non-carrier holding company (“Beacon”). Beacon is wholly owned by Van Pool Intermediate, Inc., a Delaware corporation and non-carrier holding company (“Intermediate Inc.”). Intermediate Inc. is wholly owned by Van Pool Group Holdings, L.P., a Delaware limited partnership and non-carrier holding company (“Group Holdings”). Group Holdings is majority-owned and controlled by AG Van Pool Holdings, LP, a Delaware limited partnership and non-carrier holding company (“AG Holdings”). AG Holdings is owned by investment funds affiliated with Audax Management Company, LLC, a Delaware limited liability company (the “Audax Funds”). A chart depicting the intercorporate structure of Applicant is set forth on Exhibit B attached hereto. Neither the Audax Funds, AG Holdings, Group Holdings, Intermediate Inc., Beacon, nor VP Intermediate has interstate passenger motor carrier authority, a USDOT Number, nor a USDOT Safety Rating. Additionally, neither the Audax Funds, AG Holdings, Group Holdings, Intermediate Inc., Beacon, nor VP Intermediate controls any regulated interstate passenger carriers other than as set forth in this Application.

IV. Jurisdictional Statement – Revenues (49 C.F.R. § 1182.2(a)(5)).

The STB has jurisdiction over this matter under 49 U.S.C. § 14303(g), because the annual aggregate gross operating revenues of Applicant and Travel Kuz exceeded \$2 million during the 12-month period immediately preceding the filing of this Application.

V. Environmental Impact (49 C.F.R. § 1182.2(a)(6)).

Approval of this Application and consummation of the Transaction will not have a significant effect on the quality of the human environment and the conservation of energy resources. The Transaction is merely a change in control of a carrier that already provides non-regulated school bus transportation services and occasional charter services. No environmental impact is expected.⁴

VI. Public Interest Considerations (49 C.F.R. § 1182.2(a)(7)).

The Board “shall approve and authorize a transaction” when it finds that the transaction is “consistent with the public interest.” 49 U.S.C. § 14303(b). The statutory factors the Board must consider are the “adequacy of transportation to the public,” “total fixed charges that result...” and the “interest of carrier employees affected...” *Id.*

A. Adequacy of Transportation Services. The Transaction will not have a material, detrimental impact on the adequacy of transportation services available for the public. Applicant intends that the services of Travel Kuz currently available to the public will continue to be provided by Travel Kuz under the same name used to provide such services prior to the Transaction. Travel Kuz will continue to operate, but going forward, will continue

⁴ The Board has found similar transactions to be categorically excluded from environmental review under 49 C.F.R. § 1105.6(c). *See, e.g., All Aboard America! Holdings, Inc. – Acquisition of Control – Lux Bus America Co.*, STB Finance Docket No. MCF 21082, at 5 (STB served Sept. 21, 2018). Section 1105.6(c) categorically excludes Section 14303 transactions that do not implicate operational changes that exceed certain specified thresholds.

to be operated within the holdings of Applicant, an organization thoroughly experienced in passenger transportation operations.

The addition of Travel Kuz to the holdings of Applicant is consistent with the practices within the passenger motor carrier industry of strong, well-managed transportation organizations adapting their corporate structure to operate several different passenger carriers within similar services markets, but in different geographic areas. The Transaction will bring Travel Kuz under the control of Applicant, which is experienced in the same market segments served by Travel Kuz, being student school bus transportation and motor coach charter transportation. Such market segments have their own service characteristics, and the Transaction, combined with the passenger carrier management capacity of Applicant, is expected to result in improved operating efficiencies, increased equipment utilization rates, and cost savings derived from economies of scale within the Applicant Subsidiaries, all of which will help to ensure the provision of adequate service to the public.

The addition of Travel Kuz to Applicant's organization will serve to enhance the viability of Applicant's organization and the Applicant Subsidiaries. The continued viability of Applicant and the Applicant Subsidiaries assures the continued availability of adequate passenger transportation service for the public in the areas served by the Applicant Subsidiaries.

B. Fixed Charges. The Transaction will increase fixed charges, in the form of interest expense, because funds will be borrowed to assist in the financing of the Transaction. However, such an increase will not impact the provision of transportation services to the public. The Board has approved transactions that use debt financing in the past, despite some increase to interest expense. See, *e.g.*, *Variant Equity I, LP, and Project Kenwood Acquisition, LLC – Acquisition of Control – Coach USA Administration, Inc., and Coach USA, Inc.*, STB

Docket No. 21084, at 4 (served February 15, 2019), and *Sureride Charter Inc. – Acquisition of Control – McClintock Enterprises, Inc., D/B/A Goldfield State & Co.*, STB Docket No. 21077, at 3 (served November 2, 2017).

C. Employee Interests. Applicant intends to continue the existing operations of Travel Kuz and as such, the Transaction will not substantially impact employees or labor conditions. Applicant does not anticipate a measurable reduction in force or changes in compensation levels and/or benefits at Travel Kuz, although staffing redundancies could potentially result in limited downsizing of back-office and/or managerial level personnel.

D. Competition and the Public Interest. The law requires the Board to assess competition in the market and the impact on the public interest as affected by approving an arrangement in which multiple passenger carriers are under control of a single entity. In making such analysis, the Board (as did its predecessor, the Interstate Commerce Commission) has consistently found that proposed “common control” arrangements (however accomplished) are inherently not anti-competitive. In large measure, that conclusion rests on the finding that as a result of the ease of entry into the market, the passenger motor carrier industry is characterized by healthy intra-modal competition as well as healthy competition between bus service, on the one hand, and, on the other, other modes of transportation, all of which constitute the “relevant market.” *GLI Acquisition Co – Purchase – Trailways Lines, Inc.*, 4 I.C.C. 2d 591, 598-602 (1988).

On the rare occasions in recent years in which the Board has been called upon to assess the “public interest” and “competition” issues inherent in the practice of the acquisition of ownership of numerous bus carriers by non-carrier entities, it has consistently approved applications of this sort, finding that acquisitions that contemplate the single control of numerous passenger carriers can result in better overall service for the public

without any lessening of the benefits of healthy competition. Its decisions include *National Express LLC – Acquisition of Control – Premier Transportation, LLC*; STB Docket No. MCF 21091 (served March 12, 2020); *Winthrop Sargent, John Cogliano, and Paul Fuerst – Acquisition of Control – Plymouth and Brockton Street Railway Company, Brush Hill Transportation Company, and McGinn Bus Company, Inc.*, STB Docket No. MCF 21089, (served January 3, 2020); *Transportation Demand Management Holdings, LLC – Acquisition of Control – Badger Bus Transportation Group, Inc.*, STB Docket No. MCF 21088 (served November 8, 2019); and *AAAHI Regional Acquisition LLC – Acquisition of Control – First Class Tours, Inc. and Sierra Stage Coaches, Inc.*, STB Docket No. MCF 21087 (served November 1, 2019).

As previously mentioned, the service offerings of Travel Kuz are (i) non-regulated school bus transportation services for schools and school districts in the Service Areas, (ii) intrastate and interstate motor coach and limousine charter services for activities such as group outings, weddings, events and field trips in the Service Areas, and (iii) limited intrastate and interstate charter services utilizing school buses.

Public schools and school districts often outsource some or all of their student transportation services to carriers such as Travel Kuz under contracts using competitive bidding processes. The school bus transportation market is competitive in the Service Areas because of the bidding processes, and there are a number of school bus service providers in that market area. Competitors of Travel Kuz for school bus services (as well as charter services provided with school buses) include providers such as First Student, Durham School Services, and Student Transportation of America.

In regard to the intrastate and interstate motor coach and limousine charter services, there are a number of other charter services providers that serve and compete with Travel

Kuz in the Service Area, such as King Gray, Premier Coach, Peter Pan, and Wilson Bus. There are also a number of passenger transportation arrangers or brokers for charter services that operate within the Service Areas. Additionally, all charter service providers, including Travel Kuz, compete with other modes of passenger transportation, including rail, low cost airlines, and passenger transportation network companies.

The Service Areas of Travel Kuz are geographically dispersed from the service areas of the Affiliate Regulated Carriers in regard to their respective service offerings, and there is virtually no overlap in the service areas and/or customer bases among the Affiliate Regulated Carriers and Travel Kuz. The service areas of NRT, Trombly and Salter are in Eastern Massachusetts and Southern New Hampshire, and the service areas of Easton are in Eastern Pennsylvania and the state of New Jersey. In light of the foregoing, it is clear that the impact of the Transaction on the regulated motor carrier industry will be minimal at most and that neither competition nor the public interest will be adversely affected.

Board approval of this Application will allow the acquisition of control of Travel Kuz to be accomplished without the approval of state regulatory authorities, thus relieving the parties of the Transaction from potentially burdensome regulatory requirements. *See* 49 U.S.C. § 14303(f).⁵

VII. Safety Fitness Certification (49 C.F.R. § 1182.2(a)(8)).

Applicant certifies that the Safety Rating for each of the Affiliate Regulated Carriers

⁵ 49 U.S.C. § 14303(f) provides that “A carrier or corporation participating in or resulting from a transaction approved by the [Surface Transportation] Board under this section, or exempted by the Board from the application of this section pursuant to section 13541, may carry out the transaction, own and operate property, and exercise control or franchises acquired through the transaction without the approval of a State authority. A carrier, corporation, or person participating in the approved or exempted transaction is exempt from the antitrust laws and from all other law, including State and municipal law, as necessary to let that person carry out the transaction, hold, maintain, and operate property, and exercise control or franchises acquired through the transaction.”

is as set forth on the Summary Table. Sellers certify that the Safety Rating of Travel Kuz is as set forth in this Application.

VIII. Insurance Certification (49 C.F.R. § 1182.2(a)(9)).

Sellers certify that Travel Kuz currently has the requisite insurance coverage under 49 U.S.C. § 13906. Applicant certifies that Travel Kuz immediately following the closing of the Transaction will have the requisite insurance coverage under 49 U.S.C. § 13906.

IX. Mexico Certification (49 C.F.R. § 1182.2(a)(10)).

A. Applicant. Applicant certifies that neither it nor any person controlling it is domiciled in Mexico, nor owned or controlled by persons of that country.

B. Travel Kuz. Sellers certify that Travel Kuz is neither domiciled in Mexico, nor owned or controlled by persons of that country.

X. No Individuals Holding Operating Authority (49 C.F.R. § 1182.2(a)(11)).

The Transaction does not involve the transfer of operating authority to an individual who will hold the authority in his or her name.

XI. Exempt Transaction under Federal Premerger Notification Laws.

Pursuant to 15 U.S.C. § 18a(c)(6), this Application and copies of all other information and documentary material filed with the Board in connection with the Transaction are being served upon the United States Federal Trade Commission and the Antitrust Division of the United States Department of Justice in keeping with the Transaction's status under the regulated-industry provisions of that statute.

XII. Conclusion.

Applicant submits that the Transaction is consistent with the public interest. As provided by 49 C.F.R. Part 1182 and for the reasons set forth herein, the Board is respectfully requested to approve this Application and authorize the Transaction and the acquisition of

control of Travel Kuz as described herein.

XIII. Verification.

The verifications of Applicant and Sellers are as follow:

[Remainder of Page Intentionally Blank – Verification and Signature Pages Follow]

A. Verification of Applicant. The undersigned verifies under penalty of perjury under the laws of the United States of America, that all information supplied by such person on behalf of and limited to Applicant in connection with this Application is true and correct. Further, the undersigned is qualified and authorized to submit this verification and file this Application. The undersigned further certifies under penalty of perjury under the laws of the United States, that she knows that willful misrepresentations 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, these misstatements are punishable under 18 U.S.C. § 1621, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.

"Applicant"

Van Pool Transportation LLC

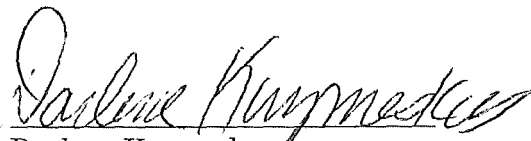
Dated: June 14, 2022

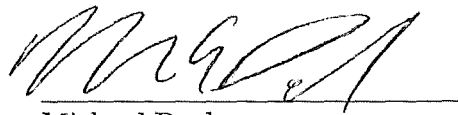
By: J Crawford
Judith Crawford
Chief Executive Officer

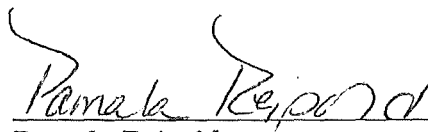
B. Verification of Sellers. Each of the undersigned verifies under penalty of perjury under the laws of the United States of America, that all information supplied by such person on behalf of and limited to Sellers and Travel Kuz, as applicable, in connection with this Application is true and correct. Further, each of the undersigned is qualified and authorized to submit this verification and authorize the filing of this Application. Each of the undersigned further certifies under penalty of perjury under the laws of the United States, that she/he knows that willful misrepresentations 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, these misstatements are punishable under 18 U.S.C. § 1621, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.

Dated: June 14, 2022

"Sellers"


Darlene Kuzmeskus


Michael Doyle

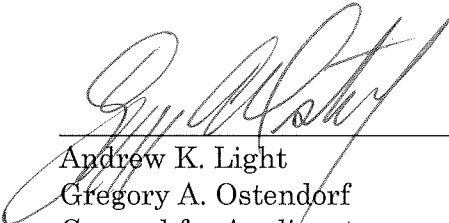

Pamala Reipold

XIV. Applicant Legal Counsel.

“Applicant”

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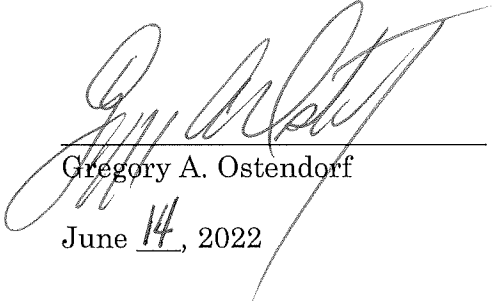
Respectfully,



Andrew K. Light
Gregory A. Ostendorf
Counsel for Applicant

Certificate of Service

I hereby certify that as required by 49 C.F.R. § 1182.3, I have served a copy of the foregoing Application by mailing a copy thereof, via U.S. first-class mail on the U.S. Department of Transportation, Chief Licensing and Insurance Division, 1200 New Jersey Avenue, S.E., Mail Stop W65-331, Washington, DC 20590; and the state regulatory agency for the states in which intrastate operations are affected. I further certify that as required by 15 U.S.C. § 18a(c)(6), I have also served a copy of the foregoing Application, and copies of all other information and documentary material filed with the Surface Transportation Board in connection with the Transaction, via email on the United States Federal Trade Commission and the Antitrust Division of the United States Department of Justice.



Gregory A. Ostendorf
June 14, 2022

<u>Exhibit A</u> <u>Summary Table</u>				
<u>Entity Names</u>	<u>USDOT No.</u>	<u>FMCSA Docket No.</u>	<u>USDOT Safety Rating</u>	<u>Vehicles and Drivers¹</u>
NRT Bus Inc. 55 Hampshire Road Methuen, MA 01844	1166825	MC-595581	Satisfactory	School Bus – 632 Mini-Bus – 257 Van (1-8) – 572 Van (9-15) – 31 Drivers – 1,625
Trombly Motor Coach Service Inc. 16 Commercial Drive Dracut, MA 01826	106905	MC-116313	Satisfactory	School Bus – 126 Mini-Bus – 26 Van (1-8) – 119 Drivers – 230
Salter Transportation, Inc. 196 Scotland Road Newbury, MA 01951	2446427	MC-190881	None	School Bus – 138 Drivers – 139
Easton Coach Company, LLC 1200 Conroy Place Easton, PA 18040	1020738	MC-430400	Satisfactory	Motor Coach – 21 Mini-Bus – 53 Van (9-15) – 346 Van (1-8) – 245 Straight Truck – 1 Drivers – 675

¹ The numbers of vehicles and drivers reflected in the Company Snapshot of the Federal Motor Carrier Safety Administration's Safety and Fitness Electronic Records (SAFER) System is dependent on information submitted by the applicable motor carriers on form MCS-150 (Motor Carrier Identification Report), which is required to be categorically updated biennially and reflects only vehicles subject to Uniform Carrier Registration. Accordingly, the number of vehicles reflected in the Company Snapshot may not be the same as the number of vehicles in use by a carrier at a given point in time.

Exhibit B

Attached

