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218/190

December 1, 2006

Via HAND DELIVERY

Hon. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

ENTERED
Office of Proceedings
DEC 1 - 2006
Part of
Public Record



**Re: MC-F-21019, Fenway Partners Capital Fund III, L.P., et al. –
Control – Coach America Holdings, Inc., et al.**

Dear Secretary Williams:

Enclosed for filing in the above-captioned docket are the original plus ten copies of Fenway Partners Capital Fund III, L.P.'s ("Fenway Partners") application for control under 49 U.S.C. § 14303(a)(4) of Coach America Holdings Inc. and its carrier subsidiaries. I am also enclosing three copies of this filing on floppy disks.

Please note that Fenway Partners requests expedited action on this Application for the reasons described in the Application.

I have enclosed a check in the amount of \$1,700 for payment of the filing fee in this matter.

Thank you for your attention to this matter.

Respectfully,

FEE RECEIVED

DEC - 1 2006

**SURFACE
TRANSPORTATION BOARD**

David H. Coburn

Attorney for Coach America Holdings, Inc.

cc: Richard H. Streeter
All parties of record

EXPEDITED ACTION REQUESTED

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET NO. MC-F-21019

**FENWAY PARTNERS CAPITAL FUND III, L.P., et al.
-- CONTROL --
COACH AMERICA HOLDINGS, INC., et al.**

**VERIFIED APPLICATION
OF
FENWAY PARTNERS CAPITAL FUND III, L.P., et al.**

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202-408-6933
202-289-1330 (Fax)
Attorney for Fenway Partners Capital Fund III, L.P.,
et al.

Dated: December 1, 2006

FEE RECEIVED

DEC - 1 2006

**SURFACE
TRANSPORTATION BOARD**



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EXPEDITED ACTION REQUESTED
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DOCKET NO. MC-F-21019

FENWAY PARTNERS CAPITAL FUND III, L.P., et al.
-- CONTROL --
COACH AMERICA HOLDINGS, INC., et al.

VERIFIED APPLICATION
OF
FENWAY PARTNERS CAPITAL FUND III, L.P., et al.

Pursuant to 49 U.S.C. § 14303(a)(4) and the Board's rules at 49 C.F.R. Part 1182, Fenway Partners Capital Fund III, L.P. ("Fenway Partners") and various subsidiary entities as described further below, hereby seek approval for their acquisition of control of Coach America Holdings, Inc. ("Coach America") and the thirty one (31) Coach America-controlled motor passenger carriers that operate subject to federal regulation under the Interstate Commerce Act.

Fenway Partners is a non-carrier Delaware limited partnership organized in 2005 by Fenway Partners, Inc. ("Fenway"), a private equity firm that invests in numerous different businesses (including other transportation-related entities) through various limited partnerships and other investment entities. Fenway Partners' proposed acquisition of Coach America and its family of motor passenger carriers (the "Transaction") entails only a change in the financial control of the Coach America entities, which are now controlled by another private equity group, Kohlberg & Company, L.L.C. and will have no immediate impact on bus service provided by the

Coach America entities. The Transaction raises no competitive issues of any kind and is consistent with the public interest.

In fact, the Transaction provides Coach America with an enhanced ability to build upon its excellent record of service to the public. By combining its financial strength with Coach America's operational prowess, Fenway Partners believes that the Transaction will maintain or strengthen Coach America's financial position and result in improved and efficient bus service for the U.S. traveling public. These public interest benefits will come largely in the form of the additional financial resources and management capabilities that will be made available to Coach America following the consummation of the transaction. The Transaction clearly satisfies the criteria of Section 14303, and the Board should approve the Transaction, as required by statute.

EXPEDITED ACTION REQUESTED

Fenway Partners respectfully requests the Board to expedite its processing of this Application and publish a tentative decision approving the common control described herein within 15 days of this Application's filing, by December 18, 2006. The Board has the authority to expedite the publication of its tentative decision in this matter and such expedition is in the public interest.

Section 14303(c) gives the Board statutory authority to expedite its publication of the tentative decision. That statute provides that "*Within 30 days after the date on which an application is filed . . . the Board shall either publish a notice of the application in the Federal Register or reject the application if it is incomplete.*" 49 U.S.C. § 14303(c)(emphasis added); *see also* 49 C.F.R. § 1182.4(b) ("If the application is accepted, a summary of the application will be published . . . (within 30 days, as provided by 49 U.S.C. 14303(c)), to give notice to the public, in the form of a tentative grant of authority."). The 30 day period in Section 14303(c) is not a

prescribed time frame for Board action but rather represents an outer time limit for Board publication.

Fenway Partners will show in this Application that the Transaction here at issue is merely a financial transaction involving a change in control of a group of motor passenger carriers that are already under common control. Thus, the Transaction will have no bearing on competition in the motor passenger carrier sector and no bearing on the level of service currently offered by the subject carriers. In these circumstances, Fenway Partners respectfully requests that the Board issue a prompt tentative decision approving the Application so that the underlying Transaction can be concluded as quickly as possible. The Board has expedited the publication of tentative decisions under such circumstances in the past. *See Peter Pan Bus Lines Trust –Purchase and Acquisition of Control – Arrow Acquisition, LLC et al.*, STB Docket No. MC-F-20995, slip op. at 2 n.2 (served Dec. 27, 2002) (publishing notice of motor passenger carrier control application within 14 days of filing where applicant requested expedited handling “to enable the parties to achieve and recognize the substantial business benefits of their transaction as soon as possible, and to minimize the ownership transition period between the agreement to acquire the assets and regulatory approval.”).

Applicants submit the following information in support of the Transaction and in accordance with the requirements of 49 C.F.R. § 1182.2(a):

SECTION 1182.2(a)(1)

IDENTIFICATION OF PARTIES

Fenway Partners Capital Fund III, L.P. and Related Entities

As noted above, Fenway Partners is a non-carrier Delaware limited partnership. Fenway Partners' address is c/o Fenway Partners, Inc., 152 West 57th Street, 59th Floor, New York, NY 10019.

Fenway, with which Fenway Partners is affiliated, is a middle-market private equity firm with offices in New York and Los Angeles. It has \$1.6 billion under management. Fenway invests, through various entities, in numerous different businesses (including other transportation-related entities) through various limited partnerships and other investment entities. These businesses typically have leading franchises and operate in two core industry segments, transportation/logistics and branded consumer products. With significant knowledge and success investing in these industries, Fenway has built a strong reputation for its hands-on approach to supporting the companies in which Fenway-related entities have invested. Those companies include RoadLink USA, the largest independent provider of intermodal trucking services in the United States, transportation and logistics provider Greatwide Logistics Services, expedited ground transportation provider Panther Expedited Services, Inc., sporting goods manufacturer Easton-Bell Sports, and school yearbook publisher and class ring manufacturer American Achievement Corporation. Fenway also serves as a management company that manages the Fenway organization and provides advisory services to the portfolio companies of its various limited partnerships and other investment entities.

Fenway Partners owns all of the outstanding stock of Coach Am Holdings Corp. ("Coach Am Holdings"), a Delaware corporation organized to consummate the Transaction. Coach Am

Holdings in turn owns all of the stock of Coach Am Acquisition Corp. ("Coach Am Acquisition"), another Delaware corporation set up for purposes of the Transaction. The addresses of these intermediate subsidiaries are the same as that of Fenway Partners.

In this change of control transaction (described in further detail below), Coach Am Acquisition will be merged into Coach America, with Coach America left as the surviving company. Following the merger, Coach America will be wholly owned by Coach Am Holdings and, indirectly, by that entity's parent, Fenway Partners.

A Verification from Richard Dresdale and Charles LaFollette, Managing Directors of Fenway Partners III, LLC, the general partner of Fenway Partners, verifying the facts regarding the Fenway Partners entities set forth above and authorizing the filing of this Application with the Board is attached hereto.

Coach America Holdings, Inc. and Related Entities

Coach America (the legal name of which is Coach America Holdings, Inc.) is a Delaware corporation with headquarters at 5430 LBJ Freeway, 3 Lincoln Center, Suite 1075, Dallas, Texas 75229. Coach America is not a carrier, but through its subsidiaries Coach America Group, Inc. and KBUS Holdings, LLC ("KBUS"), it controls 31 motor carriers of passengers (collectively, the "Operating Carriers") that hold interstate operating authority issued by the Federal Motor Carrier Safety Administration (FMCSA) or one of its predecessor agencies. Each of the Operating Carriers is subject to regulation under the Interstate Commerce Act and specific information on each is provided in Exhibit 1. Coach America also controls several small, non-federally regulated entities, including companies which own and lease buses to the Coach America family of Operating Carriers. Control of these non-federally regulated entities will also pass to Fenway Partners, but this application does not embrace that change of control.

The group of carriers controlled by Coach America was initially formed in 2003 with the purchase by KBUS, an affiliate of the private equity firm Kohlberg & Company, L.L.C. (“Kohlberg”), of over 30 bus companies formerly owned by an unrelated entity, Coach USA, Inc. The Board approved that transaction in *KBUS Holdings, LLC-Acquisition of Assets and Business Operations-All West Coachlines, Inc., et al*, STB Docket No. MC-F-21000 (served Jul. 23, 2003). In addition to other approved acquisitions, in February 2006, the Board approved the acquisition by KBUS and an affiliated entity of additional federally regulated motor carriers controlled by American Coach Lines, Inc. See *KBUS Holdings, LLC, & CUSA, LLC-Acquisition of Control-America Charters, Ltd. et al*, STB Docket No. MC-F-21014 (served Feb. 22, 2006).¹ The various control transactions approved by the Board and involving the Coach America carriers are listed in the margin.² Each of the Operating Carriers continues to be under the day-to-day operational control of its own management, although Coach America and related entities provide managerial and financial support to each of the Operating Carriers, which also take

¹ Certain of the Coach America carriers have been dissolved or their operations melded into other carriers, resulting in the total of 31 carriers now controlled by Coach America and its affiliated entities.

² See *KBUS Holdings, LLC - Acquisition of Assets and Business Operations - All West Coachlines, Inc., et al*, STB Docket No. MC-F-21000 (served Jul. 23, 2003); *CUSA RAZ, LLC d/b/a Raz Transp. Co. - Acquisition of Assets and Business Operations - Raz Transp. Co.*, STB Docket No. MC-F-21007 (served Oct. 8, 2004); *CUSA FL, LLC d/b/a Franciscan Lines-Acquisition of Assets and Business Operations-Pacific Coast Bus Service, Inc.*, STB Docket No. MC-F-21011 (served Nov. 18, 2004); *CUSA PCSTC, LLC d/b/a Pacific Coast Sightseeing Tours & Charters-Acquisition of Assets and Business Operations-Laidlaw Transit Services, Inc. d/b/a Roesch Lines*, STB Docket No. MC-F-21009 (served Jan. 13, 2005); *CUSA CSS, LLC d/b/a Crew Shuttle Services-Acquisition of Assets and Business Operations-Crew Shuttle Service, Inc.*, STB Docket No. MC-F-21012 (served June 1, 2005); *KBUS Holdings, LLC & CUSA, LLC-Acquisition of Control-America Charters, Ltd. et al.*, STB Docket No. MC-F-21014 (served Feb. 22, 2006); *CUSA GCBS, LLC d/b/a Goodall's Charter Bus Service - Acquisition of Assets and Business Operations - Comartin Enterprises, Inc. d/b/a Contactours*, STB Docket No. MC-F-21018 (served Jul. 7, 2006).

advantage of volume purchasing power and the name recognition associated with Coach America.

The Coach America Operating Carriers form one of the largest charter and tour operations in the United States, with a total of more than 2,600 vehicles and over 5,000 employees. The Operating Carriers collectively had gross revenues of approximately \$330 million in 2005 and operate vehicles in 38 states, primarily in the Western, Southwestern and Southeastern sections of the United States.

A Verification Form executed by George Maney, Vice President - Finance for Coach America, verifying the facts regarding Coach America and related entities set forth above, and authorizing the filing of this Application with the Board, is attached hereto.

SECTION 1182.2(a)(2)

DESCRIPTION OF OPERATING AUTHORITIES

The "MC" number reflecting the interstate operating authority issued to each of the Coach America Operating Carriers by the FMCSA (or a predecessor agency) is indicated in the second column of Exhibit 1 hereto. Exhibit 1 also includes a summary description of the interstate operating authority held by each carrier. No existing operating authority will be transferred, and no new operating authority will be sought, as a result of the Transaction. Fenway Partners neither holds any motor passenger carrier operating authority nor controls any entity that does so.

SECTION 1182.2(a)(3)

DESCRIPTION OF PROPOSED TRANSACTION

On November 22, 2006, Coach Am Acquisition, Coach Am Holdings, Coach America, certain of the current stockholders of Coach America³, and Kohlberg, the stockholders' representative, entered into an Agreement and Plan of Merger (the "Agreement"). As relevant, the Agreement provides that Coach Am Acquisition will be merged into Coach America and the separate corporate existence of Coach Am Acquisition will cease at that time. Coach America will remain as the surviving corporation, and will be wholly owned following the Transaction by Coach Am Holdings, and in turn by its parent, Fenway Partners. Each issued and outstanding share of Coach Am Acquisition capital stock will convert into one validly issued, fully paid and nonassessable share of \$.001 par value per share common stock of Coach America. Upon final consummation of the Transaction, Coach America shares will be converted into cash.⁴

As noted, the Transaction will not result in any transfer of operating authority held by any of the Coach America Operating Carriers, or in any changes in the essential nature of the services provided by those Operating Carriers. There also will be no immediate substantial change in the organizational and strategic plans of Coach America. The Transaction, in other words, will result in a change of ownership of Coach America, but will not result in any change in Coach America's current operations.

³ The stockholders party to the Agreement include Kohlberg Investors IV, L.P., Kohlberg Partners IV, L.P., Koco Investors IV, L.P., Kohlberg Offshore Investors IV, L.P., Kohlberg TE Investors IV, L.P., Craig Lentzsch, and David Carroll.

⁴ A portion of Coach America shares held by certain members of management will be rolled over into shares of Coach Am Holdings Corp. common stock.

SECTION 1182.2(a)(4)

AFFILIATED MOTOR PASSENGER CARRIERS

Information regarding the Operating Carriers and their respective operations is provided in Exhibit 1.

SECTION 1182.2(a)(5)

JURISDICTIONAL THRESHOLD

The aggregate gross operating revenues of the Operating Carriers during the 12 month period ending October 31, 2006 was well in excess of the \$2 million jurisdictional threshold of 49 U.S.C. § 14303(g).

SECTION 1182.2(a)(6)

ENVIRONMENTAL AND ENERGY FACTORS

The Transaction contemplates only a change in ownership of an entity that controls motor carriers and was not designed to result in any carrier operational changes. Accordingly, there will be no significant effect on the quality of the human environment or the conservation of energy resources, and the Transaction is exempt from the Board's environmental reporting requirements. 49 C.F.R. § 1105.6(c)(2)(i) and (ii); *see, e.g., Notre Capital Ventures II, LLC and Coach USA, Inc. – Control Exemption – Arrow Stage Lines, Inc., et al.*, STB Finance Docket No. 32876 (Sub-No. 1), 1996 WL 224201, at *7 (decided May 2, 1996) (“*Coach/Arrow*”).

SECTION 1182.2(a)(7)

PUBLIC INTEREST CONSIDERATIONS

Under Section 14303(b), the Board is required to approve and authorize a control transaction subject to its jurisdiction “when it finds the transaction is consistent with the public interest.” In undertaking a public interest review of this Transaction, Section 14303(b) requires that the Board must at least consider the public interest aspects of a transaction from the perspective of (1) the effect of the transaction on the adequacy of transportation to the public, (2) the total fixed charges resulting from the transaction and (3) the interest of carrier employees affected by the transaction. As discussed below, this Transaction readily satisfies the public interest test as to each factor.

Adequacy of Transportation to the Public

The Transaction entails merely a change in financial control of the Operating Carriers, and will not impair the provision by those Operating Carriers of transportation to the traveling public. The Board has repeatedly approved motor carrier acquisitions in such circumstances. *See KBUS Holdings, LLC, & CUSA, LLC-Acquisition of Control-America Charters, Ltd. et al*, STB Docket No. MC-F-21014, slip op. at 2 (served Feb. 22, 2006) (finding “acquisition of control is consistent with the public interest and should be authorized” where the applicants stated that “the proposed transaction will have no impact on the adequacy of transportation services available to the public”); *CUSA PCSTC, LLC d/b/a Pacific Coast Sightseeing Tours & Charters –Acquisition of Assets and Business Operations-Laidlaw Transit Services, Inc. d/b/a Roesch Lines*, STB Docket No. MC-F-21009, slip op. at 2-3 (served Jan. 13, 2005) (approving purchase of motor carrier assets where applicant stated that “the proposed transaction

will have no impact on the adequacy of transportation services available to the public”); *CUSA Raz, LLC d/b/a Raz Transp. Co. – Acquisition of Assets and Business Operations – Raz Transp. Co.*, STB Docket No. MC-F-21007, slip op. at 2 (served Oct. 8, 2004) (approving purchase of motor carrier assets where the applicant stated “that the public will be unaffected by the proposed transaction because the new company will be operated by the same managers and in the same manner as [the old company].”).

Further, Fenway Partners’ financial and other resources will benefit the existing Operating Carriers by enhancing their access to new capital sources. Such resources can be used to, e.g., facilitate the purchase of new equipment.

The Transaction will have no adverse impact on competition since it will not result in any consolidation of competing groups of carriers. Further, the additional resources that Fenway Partners will make available to the Coach America Operating Carriers can be used to enhance their competitive opportunities. The motorcoach business is already highly competitive, as the Board and its predecessor have recognized. *See e.g. Coach/Arrow*, 1996 WL 224201, at *6 (“With the low entry barriers and the pervasive intramodal and intermodal competition that characterizes the bus industry, most opportunities for the abuse of market power are effectively foreclosed.”). Barriers to entry are relatively low and there is not only substantial intramodal competition, but also significant intermodal competition from passenger cars, passenger railroads, and airlines. There are thousands of motorcoach operators in the United States and thus there are no grounds for concern that the new ownership of Coach America, and any continued growth of the Coach America-controlled carriers, will impair competition. Further, the carriers controlled by Coach America focus, primarily, on providing regional transportation

services and each carrier competes with a large array of other transportation providers and services in the region in which it operates.

As the Interstate Commerce Commission noted in the proceeding in which it authorized Greyhound's purchase of Trailways:

bus passengers, even those with limited access to air, Amtrak, or private auto, will continue to be protected from unreasonable rates by the market discipline of intermodal competition since remaining bus firms must set rates and service to attract passengers who do have these options.

GLI Acquisition Co. – Purchase – Trailways Lines, Inc., 4 I.C.C.2d 591, 602 (1988). The Board has reaffirmed this finding and the finding remains fully applicable to this proceeding. *See Coach/Arrow*, 1996 WL 224201, at *6.

In short, the Transaction will make Coach America a stronger company, and will allow it the opportunity to improve the services of the Operating Carriers. The ultimate beneficiary will be the traveling public.

Fixed Charges

Fenway Partners will acquire Coach America's stock through the transaction described above. While Coach America's overall debt and interest payments will increase as a result of the Transaction, the Transaction will have no material adverse impact on the ability of the Operating Carriers to meet their debt and interest obligations, while continuing to offer service to the public.

Impact on Carrier Employees

The Transaction will have no material adverse impact on carrier employees. Fenway Partners affirms that the transaction will not result in immediate operational changes. To the extent that the Transaction will strengthen Coach America and its Operating Carriers, as described above, it will be of benefit to carrier employees.

Intrastate Operating Rights

The Transaction will have no impact on the intrastate operating authorities held by any of the Operating Carriers. Applicant further notes that, pursuant to the provisions of 49 U.S.C. § 14303(f), Board approval of this application will serve to preempt any otherwise applicable state requirements with respect to the acquisition of control described here and the implementation of the Transaction. *See Colorado Mountain Express, Inc., and Airport Shuttle Colorado, Inc., d/b/a Aspen Limousine Service, Inc. -- Consolidation and Merger -- Colorado Mountain Express*, STB No. MC-F-20902, slip op. at 3 (served Feb. 28, 1997) (noting that once interstate jurisdiction is established over carrier participants, Section 14303(f) “specifically preempts any state action that would interfere with the consummation of a Board approved or exempted merger, consolidation, or acquisition of control, regardless of the extent of the participating carriers’ operations in intrastate commerce.”); *see also Board of Trustees of Trucking Employees of North Jersey Welfare Fund, Inc.-Pension Fund v. Centra*, 983 F.2d 495, 503 (3d Cir. 1992) (“federal law preempts any state law that might purport to require state approval before the transfer of stock or interstate operating authority may occur.”); *Herman Bros., Inc. -- Purchase Exemption -- Thompson Truck Line, Inc.*, 7 I.C.C. 2d 382, 386-87 (1991), *aff’d*, *Minnesota Transp. Regulation Bd. v. United States*, 966 F.2d 335 (8th Cir. 1992); *Washington Trucking, Inc. - Purchase (Portion) Exemption - Maddox Transfer and Storage, Inc.*

d/b/a Aim Van Lines, 7 I.C.C. 2d 372, 378-79 (1991), *aff'd*, *Oregon Pub. Util. Comm'n v. I.C.C.*, 979 F.2d 778 (9th Cir. 1992) (both holding that the ICC's preemption authority under the predecessor to section 14303(f) extends to the transfer of intrastate operating rights).

SECTION 1182.2(a)(8)

SAFETY FITNESS RATINGS

By its verification included herewith, Coach America certifies that the U.S. Department of Transportation safety fitness rating of each of the Coach Operating Carriers is accurately set forth in Exhibit 1. As shown there, none of the motor passenger carriers involved in this proceeding holds an unsatisfactory rating.

SECTION 1182.2(a)(9)

INSURANCE REQUIREMENTS

Coach America certifies that each of the Operating Carriers maintains insurance in the manner and to the extent required by the regulations of the FMCSA.

SECTION 1182.2(a)(10)

MEXICAN OWNERSHIP

Neither Fenway Partners nor any other party to the Transaction is domiciled in Mexico or owned or controlled by citizens of that country.

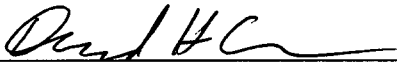
SECTION 1182.3(a)(1)

SERVICE REQUIREMENTS

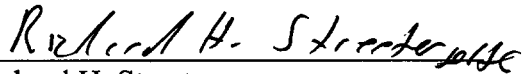
A copy of this application is being served on the regulatory authorities in each state in which any of the Operating Carriers hold authority to provide intrastate service, as reflected on the attached certificate of service.

WHEREFORE, for the reasons described above, the Board should grant this Application.

Respectfully submitted,



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Scott M. Mirelson
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Attorneys for Coach America Holdings, Inc., et al.



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202-408-6933
202-289-1330 (Fax)
Attorney for Fenway Partners Capital Fund III, L.P. et al.

Dated: December 1, 2006

CERTIFICATE OF SERVICE

I certify that I have this 1st day of December 2006 served a copy of the foregoing Verified

Application of Fenway Partners Capital Fund III, L.P., et al. by hand delivery on:

Director of Operations
Antitrust Division – Pre-Merger Notification
Unit
U.S. Department of Justice
950 Pennsylvania Avenue, NW, Room 3335
Washington, DC 20004-2904

Premerger Notification Office
Bureau of Competition
Federal Trade Commission
600 Pennsylvania Avenue, NW, Room 303
Washington, DC 20580

and by first class mail, postage prepaid on:

Chief, Lic. & Ins. Division
U.S. Department of Transportation
Office of Motor Carriers-HIA 30
400 Virginia Avenue, S.W., Suite 600
Washington, DC 20004

Joanne Moren
Manager, Motor Carrier Authority Unit
Arkansas Highway Department
P.O. Box 2261
Little Rock, AR 72203-2261

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

Douglas Dean
Colorado Public Utility Commission
Office Level Two
1580 Logan Street
Denver, CO 80203

Georgia Public Service Commission
Transportation Unit
244 Washington Street, S.W.
Atlanta, Georgia 30334-5701

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Maryland Public Service Commission
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Baltimore, MD 21202

Nickie Eck
Montana Public Service Commission
Transportation & Centralized Services
Division
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Helena, MT 59620-2601

North Carolina Public Utilities Commission
Transportation Section
4325 Mail Service Center
Raleigh, NC 27699-4325

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Nebraska Public Service Commission
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Oregon Department of Transportation
550 Capital Street NE
Salem, OR 97301-2530

Elena Gourneau
South Dakota Department of Revenue and
Regulation
445 East Capitol Avenue
Pierre, SD 57501

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

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

Charles Terreni
Chief Clerk and Administrator
Public Service Commission of South Carolina
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Motor Carrier Division
Texas Department of Transportation
125 East 11th Street
Austin, TX 78701

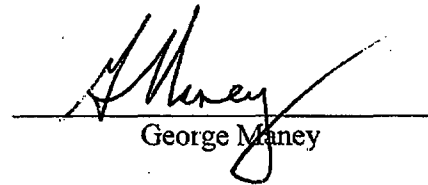
Ms. Debby Herrera
Manager, Motor Vehicle Services
Regulatory Section
Wyoming Department of Transportation
5300 Bishop Boulevard
Cheyenne, WY 82009-3340



David H. Coburn

VERIFICATION

I, George Maney, Vice President – Finance of Coach America Holdings Inc., verify under penalty of perjury, under the laws of the United States of America, that all information supplied in connection with this application is true and correct. Further, I certify that I am qualified and authorized to file this verification on behalf of Coach America Holdings, Inc. 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, these 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.



George Maney

Executed on December 1, 2006.

VERIFICATION

We, R. DRESDALE and M. LAFOLLETTE, Managing Directors of Fenway Partners III, LLC, the general partner of Fenway Partners Capital Fund III, L.P., verify under penalty of perjury, under the laws of the United States of America, that all information supplied in connection with this application is true and correct. Further, we certify that we are qualified and authorized to file this application or pleading on behalf of Fenway Partners Capital Fund III, L.P. We 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, these 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.

FENWAY PARTNERS CAPITAL FUND III, L.P.

By: Fenway Partners III, LLC,
its general partner

By: [Signature]
Name: RICHARD DRESDALE
Title: Managing Director

By: [Signature]
Name: M. LAFOLLETTE
Title: Managing Director

Executed on November 30, 2006

EXHIBIT 1

Federally Regulated Coach America Carriers

Carrier Name	MC #	US DOT #	Description Of Federal Operating Authority	Intrastate Authority	Safety Rating
America Charters Ltd.	153814	191032	Passenger Carrier Operations in Southeastern United States	SC, NC	Satisfactory
American Coach Lines of Atlanta, Inc.	141589	162219	Passenger Carrier Operations in Southeastern United States	GA	Satisfactory
American Coach Lines of Jacksonville, Inc.	224982	201605	Passenger Carrier Operations in Southern United States	GA	Satisfactory
American Coach Lines of Miami, Inc.	476678	1203231	Passenger Carrier Operations in Southern United States	No	None
American Coach Lines of Orlando, Inc.	255382	468999	Passenger Carrier Operations in Southern United States	GA	Satisfactory
CUSA, LLC	471723	1183818	Common carrier of passengers in charter and special operations	No	None
CUSA ASL, LLC d/b/a Arrow Stage Lines	465199	1167618	Common carrier of passengers in charter and special operations; contract carrier of passengers	No	None
CUSA AT, LLC d/b/a Americoach Tours	463166	1167631	Common carrier of passengers in charter and special operations; contract carrier of passengers	AR	Satisfactory
CUSA AWC, LLC d/b/a All West Coachlines	465200	1167523	Passenger Carrier Operations in Western United States	CA	Satisfactory
CUSA BCCAE, LLC d/b/a Blackhawk-Central City Ace Express	463169	1167642	Charter and special operations between points in the United States	CO	None

Carrier Name	MC #	US DOT #	Description Of Federal Operating Authority	Intrastate Authority	Safety Rating
CUSA CC, LLC d/b/a Coach USA Los Angeles	465198	1167647	Charter and special operations between points in the United States	CA	Satisfactory
CUSA CSS, LLC d/b/a Crew Shuttle Services	522544	1364895	Contract Carrier operations in Idaho, Washington, and Oregon	WA	None
CUSA EE, LLC d/b/a El Expreso	463171	1167656	Regular route operations between points in TX, between points in TX and FL, between points in AL and GA, between points in FL.	TX	Satisfactory
CUSA ELKO, LLC d/b/a K-T Contract Services Elko	467153	1167661	Charter and special operations between points in the United States	NV	Satisfactory
CUSA ES, LLC d/b/a Express Shuttle	463168	1167664	Common carrier of passengers in charter and special operations; contract carrier of passengers	NE	Satisfactory
CUSA FL, LLC d/b/a Franciscan Lines	465197	1167666	Passenger Carrier operations in the Western United States	CA	Satisfactory
CUSA FTT, LLC d/b/a Fun Time Tours	463172	1167670	Passenger Carrier operations in the Southwestern United States	TX	Satisfactory
CUSA GCBS, LLC d/b/a Goodall's Charter Bus Service	463173	1167671	Passenger Carrier operations in the Western United States	CA	Satisfactory
CUSA GCT, LLC d/b/a Gulf Coast Transportation	465196	1167675	Charter and Special Operations between points in the United States	TX	Satisfactory

Carrier Name	MC #	US DOT #	Description Of Federal Operating Authority	Intrastate Authority	Safety Rating
CUSA KBC, LLC d/b/a Kerrville Bus Company	463270	1167678	Regular route operations between points in TX, between TX and AR, between LA and AZ, between AR and TN, between LA and MS; charter and special operations between points in the United States.	AR	Satisfactory
CUSA K-TCS, LLC d/b/a Coach USA and d/b/a Gray Line Airport Shuttle	463271	1167677	Charter and Special Operations between points in the United States	NV	None
CUSA K-TCS, LLC d/b/a Arizona Charters	468081	1167677	Common carrier of passengers in charter and special operations; contract carrier of passengers	No	None
CUSA NC, LLC d/b/a Nevada Charters	465263	1167637	Common carrier of passengers in charter and special operations; contract carrier of passengers	No	None
CUSA PCSTC, LLC d/b/a Pacific Coast Sightseeing Tours & Charters	463273	1167672	Charter and special operations beginning and ending in points in CA, AZ and NV to points in the United States	CA	Satisfactory
CUSA PRTS, LLC d/b/a Powder River Transportation Services	463274	1167669	Regular route operations to points in WY, MT, SD, NE, UT, NM, TX, and CO; charter and special operations to points in the United States.	MT, WY, CO, SD	Satisfactory

Carrier Name	MC #	US DOT #	Description Of Federal Operating Authority	Intrastate Authority	Safety Rating
CUSA RAZ, LLC d/b/a Raz Transportation Company	499453	1285207	Passenger carrier operations in the Western United States	OR, WA	None
Dillon's Bus Service Inc.	36788	187443	Passenger carrier operations in the Eastern United States	MD	Satisfactory
Florida Cruise Connection, Inc. d/b/a Cruise Connection	267620	536011	Passenger carrier operations in the Southern United States	No	None
Midnight Sun Tours, Inc.	213275	885412	Passenger carrier operations in the Southern United States	No	None
Southern Coach Company	58177	90877	Passenger carrier operations in the Southern United States	SC	Satisfactory
Southern Tours, Inc.	182022	275969	Passenger carrier operations in the Southern United States	No	Satisfactory

SURFACE TRANSPORTATION BOARD

DOCKET NO. MC-F-21019

**FENWAY PARTNERS CAPITAL FUND III, L.P., et al.
-- CONTROL -- COACH AMERICA HOLDINGS, INC., et al.**



AGENCY: SURFACE TRANSPORTATION BOARD

ACTION: Notice Tentatively Approving Finance Application

SUMMARY: Fenway Partners Capital Fund III, L.P. (Applicant or Fenway), has filed an application under 49 U.S.C. 14303 to acquire control of Coach America Holdings, Inc. (Coach America) by acquiring a controlling interest in its outstanding stock. Coach America currently controls through intermediate subsidiaries the following federally regulated motor carriers of passengers: America Charters Ltd., American Coach Lines of Atlanta, Inc., American Coach Lines of Jacksonville, Inc., American Coach Lines of Miami, Inc., American Coach Lines of Orlando, Inc., CUSA LLC, CUSA ASL, LLC d/b/a Arrow Stage Lines, CUSA AT, LLC d/b/a Americoach Tours, CUSA AWC, LLC d/b/a All West Coachlines, CUSA BCCAE, LLC d/b/a Blackhawk-Central City Ace Express, CUSA CC, LLC d/b/a Coach USA Los Angeles, CUSA CSS, LLC d/b/a Crew Shuttle Services, CUSA EE, LLC d/b/a El Expreso, CUSA ELKO, LLC d/b/a K-T Contract Services Elko, CUSA ES, LLC d/b/a Express Shuttle, CUSA FL, LLC d/b/a Franciscan Lines, CUSA FTT, LLC d/b/a Fun Time Tours, CUSA GCBS, LLC d/b/a Goodall's Charter Bus Service, CUSA GCT, LLC d/b/a Gulf Coast Transportation, CUSA KBC, LLC d/b/a Kerrville Bus Company, CUSA K-TCS, LLC d/b/a Coach USA and d/b/a Gray Line Airport Shuttle, CUSA K-TCS, LLC d/b/a Arizona Charters, CUSA NC, LLC d/b/a Nevada Charters, CUSA PCSTC, LLC d/b/a Pacific Coast Sightseeing Tours & Charters, CUSA PRTS, LLC d/b/a Powder River Transportation Services, CUSA RAZ, LLC d/b/a Raz Transportation Company, Dillon's Bus Service Inc., Florida Cruise Connection, Inc. d/b/a Cruise Connection, Midnight Sun Tours, Inc., Southern Coach Company, and Southern Tours, Inc. Persons wishing to oppose this application must follow the rules under 49 CFR part 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 are due by _____, 2007. Applicant may file a reply by _____, 2007. If no comments are filed by _____, 2007, this notice is effective on that date.

ADDRESSES: Send an original and 10 copies of comments referring to STB Docket No. MC-F-21019 to: Surface Transportation Board, Office of the Secretary, Case Control Branch, 1925 K Street, N.W., Washington, D.C. 20423-0001. In addition, send one copy of comments to Applicant's representative: Richard H. Streeter, Barnes & Thornburg LLP, 750 17th Street, N.W., Suite 900 Washington, DC 20006-4675

FOR FURTHER INFORMATION CONTACT: Eric S. Davis (202) 565-1608. [Federal Information Relay Service (FIRS) for the hearing impaired: 1-800-877-8339.]

SUPPLEMENTARY INFORMATION: Fenway is a New York-based private equity fund associated with Fenway Partners, Inc., a New York private equity firm. Fenway is not a carrier and does not currently control any motor passenger carriers. Coach America is a Delaware corporation that is not a carrier but that, through intermediate subsidiaries, currently controls 31 federally regulated passenger carriers. Coach America is one of the largest charter and tour companies in the United States with more than 2,600 vehicles and over 5,000 employees. The carriers in the Coach America group operate primarily in the Western, Southwestern and Southeastern sections of the United States and had gross revenues of approximately \$330 million in 2005. Upon consummation of the planned transaction between Fenway and Coach America, Fenway will control Coach America and the carriers it controls. No operating authorities will be transferred as a result of the transaction.

Applicant has submitted information, as required by 49 CFR 1182.2(a)(7), to demonstrate that the proposed acquisition of control is consistent with the public interest under 49 U.S.C. 14303. Applicant states that the proposed transaction will not impact the adequacy of transportation to the public, reduce competition, adversely impact fixed charges, or adversely impact the interests of employees. It asserts that granting the application will allow Coach America to take advantage of substantial benefits, including enhanced access to capital. In addition, applicant has submitted all of the other statements and certifications required by 49 CFR 1182.2. Additional information, including a copy of the application, may be obtained from the applicant's representative.

Under 49 U.S.C. 14303(b), we must approve and authorize a transaction we find 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.

On the basis of the application, we find that the proposed acquisition of control 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 C.F.R. § 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."

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

It is ordered:

1. The proposed acquisition of control 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 as having been vacated.
3. This decision will be effective on _____, 2007, 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, Room 8214, 400 7th Street, S.W., 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: _____, 2006

By the Board, Chairman Nottingham, Vice Chairman Mulvey and Commissioner Buttrey

Vernon A. Williams
Secretary