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SERVICE DATE – JULY 9, 2014

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. MCF 21058<sup>1</sup>

TEXAS BUS AND LIMO ACQUISITION CORP.

—CONTROL—

GBJ, INC.; ECHO TOURS AND CHARTERS L.P.; ROADRUNNER CHARTERS, INC.;  
STAR SHUTTLE, INC.; TRI-CITY CHARTERS OF BOSSIER, INC.

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Authorizing Finance Transaction.

SUMMARY: Texas Bus and Limo Acquisition Corp. (TBL), GBJ, Inc. (GBJ), Echo Tours and Charters L.P. (Echo), Roadrunner Charters, Inc. (Roadrunner), and Star Shuttle, Inc. (Star) (collectively, Applicants) have filed an application under 49 U.S.C. § 14303 for Echo to acquire control of Tri-City Charters of Bossier, Inc. (Tri-City), and for TBL thereafter to acquire control of GBJ, Echo, Roadrunner, and Star. The Board is tentatively approving and authorizing the transaction, and, if no opposing comments are timely filed, this notice will be the final Board action. Persons wishing to oppose the application must follow the rules at 49 C.F.R. §§ 1182.5 and 1182.8.

DATES: Comments must be filed by August 25, 2014. Applicants may file a reply by September 8, 2014. If no comments are filed by August 25, 2014, this notice shall be effective on August 26, 2014.

ADDRESSES: Send an original and 10 copies of any comments referring to Docket No. MCF 21058 to: Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, send one copy of comments to Applicant's representative: Richard P. Schweitzer, Richard P. Schweitzer, PLLC, Suite 800, 1776 K Street, N.W., Washington, DC 20006.

FOR FURTHER INFORMATION CONTACT: Scott Zimmerman, (202) 245-0386. Federal Information Relay Service (FIRS) for the hearing impaired: 1-800-877-8339.

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<sup>1</sup> A request for interim approval under 49 U.S.C. § 14303(i) was included in Applicants' filing. In a decision served on July 9, 2014, in related Docket No. MCF 21058 TA, interim approval is granted, effective on the service date of that decision.

SUPPLEMENTARY INFORMATION: TBL is a noncarrier holding company organized as a C Corp in Texas. Under the proposed transaction, TBL would acquire ownership and control of the stock of four Federally regulated motor carriers of passengers: Echo (MC-755212), GBJ (MC-369531), Roadrunner (MC-467373), and Star (MC-309567). Before TBL's acquisition of those four carriers, Echo would acquire 100 percent control of Tri-City (MC-370884), another Federally regulated motor carrier of passengers. (Echo, GBJ, Roadrunner, Star, and Tri-City are collectively called "Applicant carriers.") Applicants state that, additionally, \$75 million in debt among Echo, GBJ, Roadrunner, and Star is being consolidated and restructured. If the transaction is approved, upon completion: (1) Echo would own 100 percent of the Tri-City stock (as well as its equipment and operating authority); (2) TBL would own 100 percent of the stock of Echo, GBJ, Roadrunner, and Star; and (3) Echo, GBJ, Roadrunner, and Star would own 100 percent of the TBL stock in equal shares. Applicants state that by consolidating their operations under TBL, they would be able to gain efficiencies and to consolidate and restructure debt of each carrier.

Applicants state that TBL, GBJ, Roadrunner, and Star are not affiliated with any other motor carriers. GBJ provides interstate charter transportation, local city shuttle service, and sedan service in the Houston metropolitan area. Roadrunner provides charter services in the Dallas/Fort Worth metropolitan area. Star provides charter, convention, and tour operations, as well as paratransit and transit services, in the San Antonio and Austin markets. Tri-City, which has no parent, subsidiaries, or affiliates, provides charter service in Louisiana, Texas, and other parts of the southeast United States. Echo, which is owned and controlled by a limited general partnership organized under an unincorporated entity called ET&C GP, provides charter, tour, and local city shuttle transportation in the Dallas, Fort Worth, Abilene, Tyler, and Waco markets. Echo owns 100 percent of the stock of its subsidiary, Echo Transportation Solutions, LLC, which provides premium sedan and limousine service but does not operate commercial vehicles and holds no federal or state operating authority; Echo also owns and controls 50 percent of the stock of Gotta Go Tours by Patti, LLC, a company that provides tour marketing services and also holds no Federal or state operating authority.<sup>2</sup>

Under 49 U.S.C. § 14303(b), the Board must approve and authorize a transaction that it finds consistent with the public interest, taking into consideration at least: (1) the effect of the proposed transaction on the adequacy of transportation to the public; (2) the total fixed charges that result; and (3) the interest of affected carrier employees. Applicants have submitted information, as required by 49 C.F.R. § 1182.2, including the information to demonstrate that the

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<sup>2</sup> The Application notes that some or all of the individuals who are general partners of ET&C GP also own and control, in whole or in part, other companies in the travel and tour industries, including Echo Transportation, LLC, an intrastate shuttle operator in Wyoming, and Buses By Bill, Inc. (MC-260442), an interstate operator of shuttle services. Those companies, however, are not owned or controlled by, or affiliated with, Echo or ET&C GP.

proposed transaction is consistent with the public interest under 49 U.S.C. § 14303(b), and a statement that Applicants' aggregate gross operating revenues for the preceding 12 months exceeded \$2 million, see 49 U.S.C. § 14303(g).

Applicants submit that the proposed transaction would have no significant impact on the adequacy of transportation because Applicants do not intend to change the operations of the Applicant carriers. Rather, Applicants anticipate that consolidating their operations would enhance service to the public by allowing carriers to engage in vehicle sharing arrangements, centralizing certain management functions, and allowing carriers to take advantage of better financial terms. According to Applicants, the debt restructuring would allow the carriers to increase investment in their companies and would allow them to replace aging vehicles with newer, more energy efficient vehicles on more favorable financial terms. With respect to fixed charges, Applicants state that the debt restructuring would lower interest payments on existing debt and allow them to secure better financial terms for additional financing of equipment. Thus, Applicants expect their overall fixed charge for financing of equipment acquisitions would decrease while their combined financial structure would be strengthened. Applicants state that the transaction would not have an overall negative impact on employees. The proposed transaction would consolidate some administrative and headquarters personnel, but Applicants assert that any contraction of personnel would be offset by additions in higher paying sales and field operations personnel in multiple cities in Texas.

Applicants further assert that the acquisition would not have a material adverse effect on competition, because the markets in which Applicant carriers compete are subject to robust competition. Applicants state that the Dallas/Fort Worth area, in which Echo and Roadrunner provide charter service, has over 15 interstate providers of charter and tour services generating over \$150 million in annual revenues and operating approximately 670 vehicles. According to Applicants, the combined revenues of Echo and Roadrunner would be less than one-third of the market's annual revenues and would account for about 100 vehicles in the Dallas/Fort Worth market. Applicants estimate that the combined share of the Applicant carriers in the East Texas market would be less than 7.5 percent, and that it would not exceed 14 percent in the Dallas/Fort Worth market. Applicants note that areas served by the Applicant carriers are largely separate and distinct, with a small amount of overlap in the larger markets. Applicants further reiterate the Board's findings in other cases regarding low barriers to entry into the interstate bus industry.

On the basis of the application, the Board finds that the proposed acquisition is consistent with the public interest and should be tentatively approved and authorized. If any opposing comments are timely filed, these findings 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 notice 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](http://WWW.STB.DOT.GOV)".

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

It is ordered:

1. The proposed transaction is approved and authorized, subject to the filing of opposing comments.
2. If opposing comments are timely filed, the findings made in this notice will be deemed vacated.
3. This notice will be effective August 26, 2014, unless opposing comments are filed by August 25, 2014.
4. A copy of this notice will be served on: (1) the U.S. Department of Transportation, Federal Motor Carrier Safety Administration, 1200 New Jersey Avenue, S.E., 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, 1200 New Jersey Avenue, S.E., Washington, DC 20590.

Decided: July 3, 2014.

By the Board, Chairman Elliott, Vice Chairman Miller, and Commissioner Begeman.