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SERVICE DATE – JULY 13, 2007

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. MC-F-21022¹

CALLEN HOTARD–ACQUISITION–HOTARD COACHES, INC.

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Approving Finance Transaction.

SUMMARY: Callen Hotard (Applicant), a noncarrier individual, who is owner and president of Calco Travel, Inc. (Calco) (MC-161117), a motor passenger carrier, has filed an application under 49 U.S.C. 14303 to acquire control of Hotard Coaches, Inc. (Coaches) (MC-143881), a motor passenger carrier, from Greyhound Lines, Inc. (Greyhound) (a regulated passenger carrier). Greyhound is a subsidiary of Laidlaw Transportation Holdings, Inc. (LTHI) (a noncarrier). Applicant proposes to acquire control via a stock purchase by Hotard Travel, Inc. (Hotard Travel) (a noncarrier), a corporation formed by Applicant and Szeszycki Hospitality, L.L.C. (Szeszycki) (a noncarrier).² Coaches would continue to hold its Federal Motor Carrier Safety Administration motor passenger carrier operating license. Persons wishing to oppose this application must follow the rules at 49 CFR 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.

¹ A request for interim approval under 49 U.S.C. 14303(i) was included in this filing (STB Docket No. MC-F-21022 TA). In a decision served on June 25, 2007, temporary approval was granted, effective on the service date of the decision.

² The verified application and request for interim approval was originally filed by Applicant. However, on June 26, 2007, Applicant filed a petition requesting that Hotard Travel, a Louisiana corporation formed by Applicant and Szeszycki (which does not require Board approval for this transaction because it will have minority control of Coaches), be permitted to substitute for Applicant as the purchasing party in this proceeding. Hotard Travel, as a noncarrier that does not control another carrier, does not require Board authority for this transaction. However, Applicant, who also controls Calco, requires Board approval to control Coaches (indirectly) through his control of Hotard Travel (by virtue of his majority interest in Hotard Travel). Accordingly, there is no need to substitute parties in this transaction. However, the notice reflects that the sale of Coaches' stock will be made to Hotard Travel, and not directly to Applicant.

DATES: Comments must be filed by August 27, 2007. Applicant may file a reply by September 11, 2007. If no comments are filed by August 27, 2007, this notice is effective on that date.

ADDRESSES: Send an original and 10 copies of any comments referring to STB Docket No. MC-F-21022 to: Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, send one copy of comments to Applicant's representative: Kenneth Siegel, Strasburger & Price, LLP, 1800 K Street, N.W., Suite 301, Washington, DC 20006-2225.

FOR FURTHER INFORMATION CONTACT: Julia M. Farr, (202) 245-0359. [Federal Information Relay Service (FIRS) for the hearing impaired: 1-800-877-8339.]

SUPPLEMENTARY INFORMATION: Applicant is owner and president of Calco, a subchapter S corporation incorporated under the laws of the State of Louisiana. Calco operates as a charter bus company providing both local and nationwide charter bus service. Hotard Travel is a Louisiana corporation formed by Applicant and Szeszycki for the purposes of completing this stock purchase transaction. Coaches is a Mississippi corporation that provides charter service in Mississippi and Louisiana. LTHI owns ten federally registered motor passenger carrier subsidiaries, including Greyhound and Coaches.³ Applicant states that Greyhound and its affiliates had gross revenues exceeding \$2 million in during the 12-month period preceding the date of this application.

The parties finalized a stock purchase agreement on June 7, 2007. The shares of Coaches will be transferred to an independent voting trust pending final Board approval to avoid unauthorized control. The Board's Secretary provided the parties an informal, non-binding, opinion on the voting trust agreement in letters dated June 25, 2007, and July 6, 2007.

Under 49 U.S.C. 14303(b), the Board must approve and authorize a transaction found to be 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.

Applicant has submitted information, as required by 49 CFR 1182.2, including the information to demonstrate that the proposed transaction is consistent with the public interest under 49 U.S.C. 14303(b). Applicant states that the proposed transaction will improve the adequacy of transportation services available to the public, that the proposed transaction will not have an adverse effect on total fixed charges, and that the interests of employees of Coaches will not be adversely impacted. Additional information, including a copy of the application, may be obtained from Applicant's representative.

³ See Laidlaw Inc.—Intra-Corporate Family Transaction Exemption, STB Docket No. MC-F-20998 (STB served Feb. 21, 2003).

On the basis of the application, we find that the proposed acquisition 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 CFR 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.”

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

It is ordered:

1. The motion to substitute Hotard Travel, Inc., in place of Callen Hotard as the named applicant in this proceeding is denied.
2. The proposed finance transaction is approved and authorized, subject to the filing of opposing comments.
3. If timely opposing comments are filed, the findings made in this notice will be deemed as having been vacated.
4. This notice will be effective on August 27, 2007, unless timely opposing comments are filed.
5. 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 6, 2007.

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

Vernon A. Williams
Secretary