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SERVICE DATE – LATE RELEASE JUNE 25, 2007

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. MC-F-21022 TA

CALLEN HOTARD–ACQUISITION–HOTARD COACHES, INC.

Decided: June 22, 2007

On June 15, 2007, Callen Hotard (Applicant) (a noncarrier individual) applied for interim approval under 49 U.S.C. 14303(i) and the Board's regulations at 49 CFR 1182.7 to permit applicant to acquire management control of Hotard Coaches, Inc. (Coaches), a motor passenger carrier, from Greyhound Lines, Inc. (Greyhound) (a regulated passenger carrier), a subsidiary of Laidlaw Transportation Holdings, Inc. (LTHI) (a noncarrier). Applicant seeks interim approval pending a decision on a concurrently filed application to acquire a controlling share of the stock of Coaches from Greyhound.¹

According to Applicant, Coaches has been a loss operation for an extended period of time. Applicant states that Greyhound has determined that it can no longer absorb these losses. Rather than cease or severely curtail operations, Applicant states that Greyhound has agreed to a prompt sale and purchase of Coaches. Applicant seeks the interim management control so that Coaches may continue its operations without service cessation, layoffs, or loss in the value of the company. This will enable passenger service to continue while Applicant's concurrently filed application for permanent approval of the acquisition of Coaches' stock is pending.

Under 49 U.S.C. 14303(i), and 49 CFR 1182.7(b), the Board finds that Applicant has demonstrated that failure to grant interim approval of the proposed finance transaction may result in the destruction of, or injury to, the properties being acquired or may substantially interfere with their future usefulness in providing adequate and continuous service to the public.

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

¹ Applicant proposes to have ownership of the shares of Coaches transferred to a voting trust pending the Board's approval of applicant's stock acquisition of Coaches. Only after the voting trust agreement is signed by Greyhound and the trustee will the transaction be completed. Coaches is owned by LTHI. See STB Docket No. MC-F-20998, Laidlaw Inc.–Intra-Corporate Family Transaction Exemption (STB served Feb. 21, 2003).

It is ordered:

1. Applicant is authorized on an interim basis to acquire management control of Coaches under 49 U.S.C. 14303(i) and 49 CFR 1182.7. The application for permanent authority will be addressed in a separate decision.

2. This decision is effective on its service date.

3. A copy of this decision 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.

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

Vernon A. Williams
Secretary