

SERVICE DATE – JULY 9, 2014

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. MCF 21058 TA
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.

Digest:¹ This decision grants the request filed by Texas Bus and Limo Acquisition Corp. (TBL) and certain Federally regulated carriers for interim approval for TBL to acquire and control the carriers.

Decided: July 3, 2013

On June 9, 2014, 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) applied for interim operational approval under 49 U.S.C. § 14303(i) and the Board's regulations at 49 C.F.R. § 1182.7(b) with respect to the transaction at issue in Docket No. MCF 21058. In that proceeding, the Applicants seek: (1) the acquisition of control of GBJ, Echo, Roadrunner, and Star by TBL (a noncarrier holding company); and (2) Echo's acquisition of Tri-City Charters of Bossier, Inc. (Tri-City), which would become a subsidiary of TBL if the transaction is approved. Applicants seek interim approval pending a decision on their concurrently filed application for permanent approval of the transaction.²

¹ The digest constitutes no part of the decision of the Board but has been prepared for the convenience of the reader. It may not be cited to or relied upon as precedent. Policy Statement on Plain Language Digests in Decisions, EP 696 (STB served Sept. 2, 2010).

² Section 14303(i) provides in relevant part as follows:

- (i) **Interim approval.**—Pending determination of an application filed under this section, the Board may approve, for a period of not more than 180 days, the operation of the properties sought to be acquired by the person proposing in the application to acquire those properties, when it appears that failure to do so may result in destruction of or injury to those properties or substantially interfere with their future usefulness in providing adequate and continuous service to the public.

(continued . . .)

Specifically, the proposed transaction contemplates that TBL would acquire 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 complete control of Tri-City (MC-370884), with the intent that Tri-City be operated as a subdivision of Echo. If the transaction is approved, upon completion: (1) Echo would own 100 percent of 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 stock of TBL in equal shares. Applicants state that by consolidating their operations under TBL, they would be able to gain efficiencies and restructure the debt of each carrier.

According to the Applicants, the debt consolidation and restructuring is critical to the success of the transaction. Applicants state that they are working with banks to consolidate and restructure \$75 million in current debt, which would lower interest payments and allow them to secure financing and insurance at more attractive rates. According to the Applicants, the debt restructuring would allow them to realize substantial savings in interest, insurance, and other fixed charges, and, without the restructuring, deterioration of the Applicants' fleets would result in less safe, less energy efficient fleets and an overall devaluation of each individual carrier. Applicants state that time is of the essence in the proposed transaction as their agreed upon timeline to receive debt restructure approval from the banks is mid-August 2014. According to the Applicants, the lenders need interim approval as an indication of certainty with regard to the final approval of the Applicants' application for acquisition of control under 49 U.S.C. § 14303. The implication is that without interim approval, adequate and continuous service from GBJ, Echo, Roadrunner and Star may be jeopardized.

Under 49 U.S.C. § 14303(i) and 49 C.F.R. § 1182.7(b), we find the Applicants have demonstrated that failure to grant interim approval of the proposed finance transaction 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.

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Although Applicants couch their request in terms of interim approval of the planned acquisitions, see Request for Interim Approval at 1, under § 14303(i) interim approval pertains to the operation of the properties sought to be acquired, not the acquisitions themselves.

It is ordered:

1. Echo is authorized on an interim basis to operate the properties of Tri-City, and TBL is authorized on an interim basis to operate the properties of Echo, GBJ, Roadrunner, and Star, for a period of not more than 180 days. 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 Elliott, Vice Chairman Miller, and Commissioner Begeman.