

31117
EB

SERVICE DATE - JULY 13, 2000

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. MC-F-20972

LIDLAW INC., ET AL.-CONTROL AND MERGER-918897 ONTARIO INC.,
B. R. BABCOCK LIMITED, BABCOCK COACH LINES LIMITED,
LEE LINE CORP., AND LEE CHARTER SERVICES, INC.

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Approving Finance Application.

SUMMARY: In an application filed under 49 U.S.C. 14303, Laidlaw Inc. (Laidlaw), a noncarrier, seeks to acquire indirect control, through its subsidiary, Laidlaw Transit Ltd. (Transit Ltd.), of 918897 Ontario Inc. (Babcock), a noncarrier, and B. R. Babcock Limited (BRB), and Babcock Coach Lines Limited (BCL), motor passenger carriers, and subsequently to merge Babcock, BRB, and BCL into Transit Ltd. Laidlaw also seeks to acquire indirect control, through its subsidiary, Laidlaw Transit, Inc. (Transit, Inc.), of the operating assets of Lee Line Corp. (LLC), a motor passenger carrier, the transfer of LLC's operating authority to Lee Charter Services, Inc. (LCS), and the voluntary surrender of such authority by LCS. Persons wishing to oppose the application must follow the rules under 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.

DATES: Comments must be filed by August 28, 2000. Applicants may file a reply by September 11, 2000. If no comments are filed by August 28, 2000, this notice is effective on that date.

ADDRESSES: Send an original and 10 copies of any comments referring to STB Docket No. MC-F-20972 to: Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, send one copy of comments to applicants' representative: Fritz R. Kahn, 1920 N Street (8th Floor), N.W., Washington, DC 20036-1601.

FOR FURTHER INFORMATION CONTACT: Joseph H. Dettmar, (202) 565-1600.
[TDD for the hearing impaired: 1-800-877-8339.]

SUPPLEMENTARY INFORMATION: Applicants submit that, on March 5, 1999, Transit Ltd. and Brian Babcock, an individual noncarrier resident in the Province of Ontario, Canada and the owner of Babcock, entered into an agreement whereby all of the

capital stock of Babcock was transferred to an independent voting trustee pending Board approval of Transit Ltd's acquisition of Babcock and the merger of Babcock, BRB, and BCL into Transit Ltd. Applicants also submit that, by agreement dated February 8, 1999, Transit, Inc. agreed to acquire the operating assets of LLC for the purpose of continuing LLC's charter service under Transit, Inc's operating authority. The February 8, 1999 agreement also provides for the transfer of LLC's operating authority to LCS and the voluntary surrender of such authority by LCS. The existing shares of LCS are also currently held by a separate, independent voting trust.

Laidlaw currently controls motor passenger carriers, which include Transit Ltd. (MC-102189) and Transit, Inc. (MC-161299). These carriers' operations in the United States, with the exception of Greyhound Lines, Inc. (Greyhound), are largely limited to charter and special operations. Greyhound holds federally issued operating authority in Docket No. MC-1515 and provides mainly nationwide, scheduled regular-route operations.¹ Applicants state that, although they do not intend to change the nature of the acquired companies' operations, the traveling public in the United States and Canada will benefit through applicants' centralized management functions.

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.

Applicants have submitted the information required by 49 CFR 1182.2, including information demonstrating that the proposed transaction is consistent with the public interest under 49 U.S.C. 14303(b). Specifically, applicants have shown that the proposed transaction will have a positive effect on the adequacy of transportation to the public and will result in no increase in fixed charges and no changes in employment. See 49 CFR 1182.2(a)(7). Additional information may be obtained from applicants' representative.

On the basis of the application, we find that the proposed transaction 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.

¹ By letter filed June 13, 2000, Laidlaw informed the Board that, in prior proceedings, it incorrectly described Greyhound as a subsidiary of Laidlaw Inc. Laidlaw now states that, through transactions effected as of the date of its March 16, 1999 acquisition of control of Greyhound, Greyhound became a subsidiary of Laidlaw Transportation, Inc., a noncarrier controlled by Laidlaw Inc. Accordingly, Laidlaw indicates that Greyhound is an indirect subsidiary of Laidlaw Inc.

See 49 CFR 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.”

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

It is ordered:

1. The proposed control and merger 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 August 28, 2000, 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 - HMCE-20, 400 Virginia Avenue, S.W., Suite 600, Washington, DC 20024; (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: July 7, 2000.

By the Board, Chairman Morgan, Vice Chairman Burkes, and Commissioner Clyburn.

Vernon A. Williams
Secretary