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SERVICE DATE - MAY 5, 2000

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. MC-F-20967

LIDLAW INC., ET AL.--CONTROL AND MERGER--PENETANG-MIDLAND COACH LINES LIMITED, J. I. DeNURE (CHATHAM) LIMITED, D/B/A CHATHAM COACH LINES, AND CHATHAM COACH LINES, 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 Penetang-Midland Coach Lines Limited (PMCL) and J. I. DeNure (Chatham) Limited, d/b/a Chatham Coach Lines (JID), motor passenger carriers, and subsequently to merge PMCL and JID into Transit Ltd. Laidlaw also seeks to acquire indirect control, through its subsidiary, Laidlaw Transit, Inc. (Transit, Inc.), of Chatham Coach Lines, Inc. (CCL), a motor passenger carrier, and subsequently to merge CCL into Transit, Inc. 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 June 19, 2000. Applicants may file a reply by July 5, 2000. If no comments are filed by June 19, 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-20967 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: Beryl Gordon, (202) 565-1600. [TDD for the hearing impaired: 1-800-877-8339.]

SUPPLEMENTARY INFORMATION: Applicants submit that, pursuant to an agreement, dated June 4, 1998, Transit Ltd. acquired a minority shareholder's interest in PMCL on June 23, 1998, and, upon approval by the Board of the proposed transaction, Transit Ltd. proposes to acquire the remainder of PMCL's issued and outstanding stock as of June 23, 2000. Applicants also submit that, by agreements dated February 3, 2000, Transit Ltd. and Transit, Inc. agreed to acquire all of the issued and outstanding shares of JID and CCL, respectively, and the shares simultaneously were placed in voting trusts by their former

owners.¹

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. Although Greyhound performs some special and charter operations, according to applicants, Greyhound does not have the same contacts as those established by PMCL, JID, and CCL.² Applicants assert that the addition of PMCL, JID, and CCL will contribute significantly to the breadth of services that Greyhound and the other Laidlaw affiliates are able to provide to the traveling public within the United States.

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 to demonstrate 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. 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:

¹ PMCL, JID, and CCL operate primarily in Canada, but hold federally issued authority in Docket Nos. MC-139953, MC-11143, and MC-172751, respectively, authorizing them to provide special and charter operations in the United States.

² Laidlaw states that PMCL's contacts are with community organizations, schools, and other institutions in central Ontario, Canada, and JID's and CCL's contacts are in southwestern Ontario.

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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 June 19, 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: April 27, 2000.

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

Vernon A. Williams
Secretary