

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, DC

ORDER NO. 5504

IN THE MATTER OF:

Served January 22, 1999

Application of LAIDLAW, INC., to) Case No. AP-98-53
Acquire Control of GREYHOUND)
LINES, INC., WMATC No. 139)

By application accepted for filing November 25, 1998, Laidlaw, Inc., a Canadian corporation, and Greyhound Lines, Inc., WMATC Carrier No. 139, (collectively applicants), seek Commission approval to transfer control of Greyhound to Laidlaw. Laidlaw currently controls Laidlaw Transit, Inc., (LTI), WMATC Carrier No. 100, and Laidlaw Transit Services, Inc., (LTSI), trading as MetroAccess, WMATC Carrier No. 447.¹

Applicants have entered into an agreement whereby Laidlaw's wholly-owned subsidiary, Acquisition Corp., will be merged into Greyhound, making Greyhound the surviving corporation and a subsidiary of Laidlaw. After the merger, Greyhound will be operated independently of Carrier No. 100 and Carrier No. 447.

The Compact states that a carrier or any person controlling, controlled by, or under common control with a carrier shall obtain Commission approval to acquire control of a carrier that operates in the Metropolitan District, through ownership of its stock or other means.² Approval may be granted if the Commission finds the acquisition is consistent with the public interest.³ The public interest analysis focuses on the fitness of the acquiring party, the resulting competitive balance, and the interest of affected employees.⁴

The Commission finds the proposed common control consistent with the public interest for the following reasons. First, on the issue of Laidlaw's fitness, a presumption of fitness obtains where, as here, the acquiring party already controls a WMATC carrier previously found fit.⁵ Second, there should be no adverse effect on competition.

¹ The application of Laidlaw Transit Services, Inc. (LTSI), was conditionally approved in Order No. 5415, served September 25, 1998. LTSI has not yet satisfied the conditions of approval, and Certificate No. 447, therefore, has not yet been issued.

² Compact, tit. II, art. XII, § 3(a)(iii).

³ Compact, tit. II, art. XII, § 3(c).

⁴ DC Code Ann. § 1-2414 (1992); In re Cavalier Transp. Co., Inc., t/a Tourtime America, Ltd., & Tourtime America Motorcoach, Ltd., No. AP-96-21, Order No. 4926 (Sept. 12, 1996).

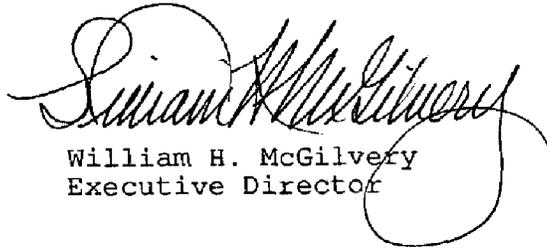
⁵ In re Laidlaw Transit, Inc., & National School Bus Serv., Inc., No. AP-97-08, Order No. 5050 (Mar. 26, 1997); Order No. 4926 at 4.

Greyhound provides charter service in over-the-road motorcoaches; LTI provides charter service in school buses; LTSI proposes providing contract service in vans and sedans. The overlap in sub-markets served by these three carriers should be minimal. In any event, no adverse effect is likely where, as here, each carrier will be operated independently of the other and Commission records show many other carriers offering identical services.⁶ Finally, there should be no adverse effect on affected employees since Greyhound will continue to honor its collective-bargaining agreements after the merger.

Each carrier is admonished to keep its assets, books and operations completely separate from the other's. Approval of Laidlaw's application should not be construed as permission for its subsidiaries to share revenue vehicles or operating authority.⁷

THEREFORE, IT IS ORDERED that the application of Laidlaw, Inc., to acquire control of Greyhound Lines, Inc., WMATC No. 139, is hereby approved.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS ALEXANDER, LIGON, AND MILLER:



William H. McGilvery
Executive Director

⁶ In re All America Bus & Limo. Serv., Inc., No. AP-97-14, Order No. 5074 (May 5, 1997).

⁷ Id.; Order No. 5050.