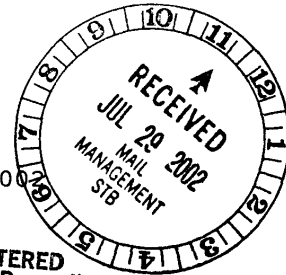


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Hon. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW (7th fl.)
Washington, DC 20423-0001

Dear Secretary Williams:

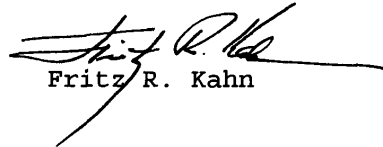
This refers to STB Docket No. MC-F-20940, Laidlaw Inc. and Laidlaw Transit Acquisition Corporation--Merger--Greyhound Lines, Inc., and to the decision of the Board, served December 6, 2000.

Enclosed are eleven copies of the report of Laidlaw Inc. for fiscal year 2001.

An additional copy of this letter and of the report are enclosed for you to stamp to acknowledge your receipt of them and to return to me in the enclosed stamped and self-addressed envelope.

If you have any question concerning the foregoing which you believe I may be able to answer or if I otherwise can be of assistance, please let me know.

Sincerely yours,


Fritz R. Kahn

enc.

cc: Rosalind A. Knapp, Esq.
Stephen E. Barber, Esq.
Roger W. Fones, Esq.
Theodore C. Knappen, Esq.
Mark E. Southerst, Esq.

Laidlaw		Press Releases
HOME COMPANY PROFILE PRESS RELEASES CONTACT US FEEDBACK		
BACK TO PRESS RELEASES		
Laidlaw Releases Fiscal 2001 Results		
Recontinues Healthcare Businesses; Takes \$1.1 Billion Goodwill Impairment Charge Results Reflect Safety-Kleen Settlement Burlington, Ontario, July 23, 2002		
Laidlaw Inc. today announced financial results for its fiscal year ended August 31, 2001. Since the end of fiscal 2001, the Company has resolved several major obstacles that have been identified as important to the successful consummation of its plan of reorganization. These include, among others, the agreement in principle to settle the securities fraud litigation, In re Laidlaw Bondholders litigation, previously announced in January 9, 2002, as well as the settlement of all matters involving Safety-Kleen Corp., previously announced on July 18, 2002 and more fully described below.		
Consolidated Revenue For the fiscal year ended August 31, 2001, consolidated revenues from the Company's Contract Bus services, Greyhound and Healthcare services segments increased 3% to \$4.42 billion from the \$4.27 billion reported for fiscal 2000.		
Recontinuance of Healthcare Businesses During the fourth quarter of fiscal 2001, it was determined that the Healthcare services businesses no longer qualified for classification as discontinued operations. As a result, the Healthcare services businesses have been reclassified as continuing operations. Certain items in the presentation of the fiscal 1999 and 2000 results have been reclassified to present all operations as "continuing" in all comparative fiscal years.		
Goodwill Impairment The Company has changed its method of measuring goodwill impairment to more closely approximate the recently established standards under Canadian GAAP and U.S. GAAP. These new standards are applicable to the Company effective September 1, 2002. The Company determined that a permanent impairment in the carried value of goodwill existed in all its operating segments because of the Company's voluntary petition for reorganization filing on June 28, 2001, and because of continued depressed operating results reported during the last few years. Consolidated earnings before interest, taxes, depreciation and amortization (EBITDA), before goodwill impairment charges, was \$383 million compared with \$386 million for fiscal 2000.		
This change in methodology resulted in the Company's recognition of a \$1.1 billion reduction in the carried value of goodwill in fiscal 2001, which reduced consolidated EBITDA to		
PASSENGER SERVICES PUBLIC TRANSIT EDUCATION SERVICES GREYHOUND / TOURS PATIENT SERVICES AMR ENCORE INVESTOR EMPLOYMENT RECENT ADDITIONS SEARCH LAIDLAW.COM GO SITEMAP LEGAL		

a loss of \$722 million. The goodwill impairment charge for fiscal 1999 was increased by \$974 million as a result of this change. There was no goodwill impairment charge in fiscal 2000.

Safety-Kleen Settlement

On July 18, 2002, the Company and Safety-Kleen Corp. announced that, through a court-approved mediation process, they had reached an amicable resolution (and there was no admission of liability by any party to this agreement) of all claims the companies had asserted against one another. The central component of the settlement is the agreement by Laidlaw and its major creditor groups, to provide in the Company's plan of reorganization, for an allowed, general unsecured claim of \$225 million in favor of Safety-Kleen Corp. The claim will be classified as a Class 6 claim along with other general unsecured claims under the Laidlaw plan.

The earnings relating to Laidlaw's 44% ownership interest in Safety-Kleen was a loss of \$255 million in fiscal 2001, a loss of \$660 million in fiscal 2000, and income of \$32 million in fiscal 1999. The fiscal 2001 loss related to the Safety-Kleen settlement consists of approximately (1) the \$225 million general unsecured claim described above, (2) \$15 million related to certain industrial revenue bonds, (3) \$8 million relating to insurance matters, (4) \$6 million related to performance bonds and (5) \$1 million related to certain other litigation matters.

Net Loss

Including the loss as a result of the Safety-Kleen settlement, the Company had a loss from continuing operations of \$1.58 billion (\$4.86 per share) for fiscal 2001 compared with a loss of \$1.25 billion (\$3.82 per share) for fiscal 2000.

Because the Healthcare services segment is now classified as a continuing operation, the Company was, for fiscal 2001, required to reverse the remaining provision for loss on sale of discontinued operations. This reversal resulted in income from discontinued operations of \$986 million (\$3.02 per share) and reduced the consolidated net loss, for the current fiscal year, to \$599 million (\$1.84 per share) compared with a net loss of \$2.24 billion (\$6.84 per share) for fiscal 2000.

Segment Results

In addition to now reporting the Healthcare businesses as a segment, the Company has changed for all prior periods described in this report the reportable segments as compared to the prior year. The former Education services segment, which consisted of the school bus transportation operations, has been combined with the municipal and paratransit operations to form the Contract Bus services segment. The former Inter-city, Transit & Tour services segment, which consisted of the Greyhound operations and the municipal and paratransit operations, now consists only of the Greyhound operations and the segment has been renamed Greyhound. The Company's Contract Bus service segment now comprises its school bus and municipal transit operations. Revenue for fiscal 2001 increased 3% to \$1.77 billion from \$1.73 billion

last year. EBITDA for the current fiscal year was \$141 million compared with \$304 million for fiscal 2000. Before the goodwill impairment charge, EBITDA for fiscal 2001 was \$270 million.

Revenue from Greyhound, the Company's North America-wide intercity and tourism services unit, increased 5% to \$1.25 billion compared with \$1.20 billion in fiscal 2000. Fiscal 2001 EBITDA for the Greyhound segment was a loss of \$287 million compared to EBITDA of \$93 million reported for fiscal 2000. EBITDA for fiscal 2001 was \$85 million before the goodwill impairment charge.

The Company's recontinued Healthcare services segment is composed of its ambulance services and emergency department management businesses. Revenue for fiscal 2001 increased 3% to \$1.39 billion from \$1.35 billion last year. EBITDA for fiscal 2001 was a loss of \$577 million compared with a loss of \$11 million last year. Before the goodwill impairment charge of \$605 million, EBITDA for fiscal 2001 was \$28 million.

Revenue growth in all segments is due primarily to price and volume increases. Increases in accident claim-related costs and energy expenses along with increased labor and benefits costs negatively influenced EBITDA in the Contract Bus services and Greyhound segments. These factors were partially offset, at the Greyhound segment, by a favorable settlement of a long-standing, rent-related dispute with the Port Authority Terminal of New York City. The improvement in Healthcare services EBITDA, before goodwill impairment, was derived principally from increased cash collections, partially offset by provisions for settlements of Medicare and Medicaid reimbursement claims and by a provision for exposure to professional liability claims resulting from the liquidation of one of the Company's insurers.

Factors That May Affect Future Results

Certain statements contained in this press release that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve certain risks, uncertainties and assumptions that include, but are not limited to; the negotiating positions of various constituencies and the results of negotiations regarding restructuring plans; actual proceeds received from any asset sales; the Company's ability to continue as a going concern; market factors, including competitive pressures and changes in pricing policies; changes in interpretations of existing legislation or the adoption of new legislation; loss of major customers; the ability to continue to satisfy bonding requirements for existing or new customers; volatility in energy costs; the costs and risks associated with litigation; costs related to accident and other claims; general economic conditions; and other factors detailed from time to time in the Company's filings with the Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated. In addition, the Company's

financial statements may be subject to adjustment in the light of the recently released restated financial statements of Safety-Kleen.

Laidlaw Inc. is a holding company for North America's largest providers of school and intercity bus transportation, public transit, patient transportation and emergency department management services.

LAIDLAW INC.

(Debtor-In-Possession as of June 28, 2001)
CONSOLIDATED BALANCE SHEETS

August 31 (U.S. \$millions)	2001	2000
ASSETS		
Current assets		
Cash and cash equivalents	\$318.4	\$153.4
Short-term deposits and marketable securities		
- at cost which approximates market value	42.4	64.9
Trade accounts receivable	509.7	531.1
Other receivables	62.6	63.4
Income taxes recoverable	20.1	14.5
Parts and supplies	54.4	52.3
Other current assets	70.3	67.8
Total current assets	1,077.9	947.4
Long-term investments	339.6	286.4
Property and equipment	1,680.7	1,683.1
Other assets		
Goodwill (net of accumulated amortization		
and impairments of \$2,718.2; August 31, 2000 -		
\$1,553.5)	1,034.8	2,205.5
Pension asset	45.2	41.9
Deferred charges	31.6	23.6
	1,111.6	2,271.0
Total assets	\$4,209.8	\$5,187.9

LAIDLAW INC.

(Debtor-in-Possession as of June 28, 2001)
CONSOLIDATED BALANCE SHEETS

August 31 (U.S.\$millions)	2001	2000
LIABILITIES		

Liabilities not subject to compromise		
Current liabilities		
Accounts payable	\$127.1	\$137.5
Accrued liabilities	430.9	571.1
Current portion of long-term debt	31.6	3,400.4
	-----	-----
Total current liabilities	589.6	4,109.0
Long-term debt	248.6	227.3
Provision for loss on sale of discontinued operations	-	986.1
Other long-term liabilities	373.6	242.5
Liabilities subject to compromise	3,978.5	-
Commitments and contingencies		
	-----	-----
Total liabilities	5,190.3	5,564.9
SHAREHOLDERS' DEFICIENCY		
Preference Shares	7.9	7.9
Common Shares; issued and outstanding		
325,927,870 (August 31, 2000 - 325,927,870)	2,222.6	2,222.6
Cumulative foreign currency translation adjustments	(169.3)	(165.0)
Deficit	(3,041.7)	(2,442.5)
	-----	-----
Total shareholders' deficiency	(980.5)	(377.0)
	-----	-----
Total liabilities and shareholders' deficiency	\$4,209.8	\$5,187.9
	-----	-----

LAIDLAW INC.
(Debtor-In-Possession as of June 28, 2001)
CONSOLIDATED STATEMENTS OF OPERATIONS

Year Ended August 31 (U.S. \$millions except per share amounts)	2001	2000	1999
Revenue	\$ 4,418.3	\$ 4,273.1	\$ 3,712.5
Operating expenses	3,574.2	3,424.8	2,842.8
Selling, general and administrative expenses	460.7	462.4	344.6
Depreciation expense	261.1	255.8	225.2
Amortization expense	67.2	70.6	92.1
Goodwill impairment losses	1,105.1	-	1,234.0
Income (loss) from operating segments	(1,050.0)	59.5	(1,026.2)
Interest expense	(270.9)	(275.1)	(185.8)
Other financing related expenses	(63.8)	(101.5)	-
Other income (loss)	9.3	(10.7)	64.7
Earnings (loss) relating to			

Safety-Kleen Corp.	(255.2)	(660.0)	32.4
Loss from continuing operations before income taxes	(1,630.6)	(987.8)	(1,114.9)
Income tax recovery (expense)	45.8	(261.8)	17.2
Unusual income tax charge	-	-	(21.0)
Loss from continuing operations	(1,584.8)	(1,249.6)	(1,118.7)
Income (loss) from discontinued operations	985.9	(987.8)	-
Net Loss	(\$598.9)	(\$2,237.4)	(\$1,118.7)
Basic and diluted earnings (loss) per share			
Continuing operations	(\$4.86)	(\$3.82)	(\$3.39)
Discontinued operations	3.02	(3.02)	-
Net loss	(\$1.84)	(\$6.84)	(\$3.39)

LAIDLAW INC.
(Debtor-in-Possession as of June 28, 2001)
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS (DEFICIT)

Year Ended August 31 (U.S. \$millions except per share amounts)	2001	2000	1999
Retained earnings (deficit) - beginning of year	(\$2,442.5)	(\$173.3)	\$1,007.1
Net loss	(598.9)	(2,237.4)	(1,118.7)
Dividends - Preference Shares	(0.3)	(0.4)	(0.4)
- Common Shares	-	(31.4)	(61.3)
Deficit - end of year	(\$3,041.7)	(\$2,442.5)	(\$173.3)
Dividends per share (Cdn.\$)			
- Preference Shares	\$0.82	\$1.00	\$1.00
- Common Shares	-	\$0.14	\$0.28
(U.S.\$ equivalent)			
- Preference Shares	\$0.540	\$0.680	\$0.663
- Common Shares	-	\$0.095	\$0.186

LAIDLAW INC.
(Debtor-in-Possession as of June 28, 2001)
CONSOLIDATED STATEMENTS OF CASH FLOWS

Year Ended August 31 (U.S. \$millions)	2001	2000	1999
--	------	------	------

Net cash provided by (used in):			
Operating activities	\$ 447.7	\$ 208.4	\$ 46.1
Investing activities	(281.5)	(336.3)	(491.7)
Financing activities	7.0	177.7	438.0
	173.2	49.8	(7.6)
Cash and cash equivalents(*) - beginning of year	108.0	58.2	65.8
Cash and cash equivalents(*) - end of year	\$ 281.2	\$ 108.0	\$ 58.2
Operating activities			
Net loss	(\$598.9)	(\$2,237.4)	(\$1,118.7)
Add (deduct) items not affecting cash:			
Depreciation and amortization	328.3	326.4	317.3
Other financing related expenses	63.8	101.5	-
Future income taxes	-	255.2	(54.6)
Unusual income tax charge	-	-	21.0
Loss (income) from discontinued operations	(985.9)	987.8	-
Goodwill impairment losses	1,105.1	-	1,234.0
Earnings (loss) relating to Safety-Kleen Corp.	255.2	660.0	(32.4)
Loss (gain) on sale of assets	6.6	-	(14.5)
PIK Debenture interest	-	-	(17.3)
Increase in accrued interest	246.2	76.5	1.1
Increase in claims liability and professional liability insurance accruals	126.9	51.7	6.1
Other	(6.2)	12.9	2.6
Cash provided by (used in) financing other working capital items	(43.2)	35.0	1.7
Decrease (increase) in restricted cash and cash equivalents	8.2	(45.4)	-
Cash used for acquisition accruals	-	(5.6)	(19.1)
Income tax settlement payments	-	-	(281.1)
Cash portion of earnings (loss) relating to Safety-Kleen Corp.	-	(2.9)	-
Cash portion of other financing related expenses	(58.4)	(7.3)	-
Net cash provided by operating activities	\$ 447.7	\$ 208.4	\$ 46.1

(*) Represents the unrestricted cash and cash equivalents of the Company

LAIDLAW INC.
(Debtor-in-Possession as of June 28, 2001)
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

Year Ended August 31 (U.S. \$millions)	2001	2000	1999
Investing activities			
Purchase of property and equipment	(\$267.3)	(\$369.0)	(\$317.2)

Proceeds from sale of property and equipment	21.8	136.6	28.4
Purchase of other assets	(8.8)	(5.9)	(23.6)
Expended on acquisitions	(2.0)	(67.5)	(542.5)
Net increase in investments	(45.5)	(32.9)	(9.2)
Proceeds from sale of assets	20.3	2.4	372.4
Net cash used in investing activities	----- (\$281.5)	----- (\$336.3)	----- (\$491.7)
Financing activities			
Proceeds from issue of long-term debt	\$ 342.2	\$ 932.6	\$ 1,612.3
Repayments of long-term debt and other non-current liabilities	(335.2)	(699.0)	(1,112.6)
Repurchase of shares for cancellation	-	(26.1)	-
Proceeds from share issues	-	1.9	0.3
Dividends	-	(31.6)	(61.7)
Repurchase of preference shares for redemption	-	(0.1)	(0.3)
Net cash provided by financing activities	----- \$ 7.0	----- \$ 177.7	----- \$ 438.0
Supplemental cash flow information			
Cash paid (received) during the year for:			
Interest	\$ 30.4	\$ 217.1	\$ 210.7
Income taxes	----- (\$51.0)	----- (\$21.2)	----- \$ 288.8

Additional Information

	Year Ended August 31	
	2001	2000
Revenue		
Contract Bus services	\$ 1,774.2	\$ 1,728.1
Greyhound	1,254.8	1,197.8
Healthcare services	1,389.3	1,347.2
Consolidated	----- \$ 4,418.3	----- \$ 4,273.1
Income (loss) from operations before depreciation and amortization (\$millions) (*)		
Contract Bus services	\$ 269.9	\$ 303.8
Greyhound	85.4	93.2
Healthcare services	28.1	(11.1)
Consolidated	----- \$ 383.4	----- \$ 385.9
Operating margins before depreciation and amortization(*)		
Contract Bus services	15.2%	17.6%
Greyhound	6.8%	7.8%
Healthcare services	2.0%	(0.8)%
Consolidated	8.7%	9.0%

Income (loss) from operations (\$millions)(*)		
Contract Bus services	\$ 80.1	\$ 116.7
Greyhound	21.6	32.0
Healthcare services	(46.6)	(89.2)
Consolidated	\$ 55.1	\$ 59.5

Operating margins(*)		
Contract Bus services	4.5%	6.8%
Greyhound	1.7%	2.7%
Healthcare services	(3.4)%	(6.6)%
Consolidated	1.2%	1.4%

(*) excluding goodwill impairment charges for Contract Bus services of \$128.5 million in 2001 (\$nil in 2000), Greyhound of \$372.1 million in 2001 (\$nil in 2000) and Healthcare services of \$604.5 million in 2001 (\$nil in 2000).

Details of revenue growth	Year Ended August 31, 2001			
	Price & Volume	Acquisitions	Foreign Exchange	Total
Contract Bus services	2.2%	0.8%	(0.3)%	2.7%
Greyhound	3.9%	1.5%	(0.6)%	4.8%
Healthcare services	2.7%	0.4%	—%	3.1%
Consolidated	2.8%	0.9%	(0.3)%	3.4%

For further information:

Wayne R. Bishop,
Vice President and Controller,
(800) 563-6072 ext. 210

top