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September 11, 2002

VIA HAND DELIVERY

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 Laidlaw Inc.'s report of results for the third quarter of fiscal year 2002.

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
Fritz R. Kahn

enc.

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

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Laidlaw Reports Results for Third Quarter of Fiscal 2002

Burlington, September 10, 2002

Laidlaw Inc. today announced financial results for its third fiscal quarter ended May 31, 2002 and the first nine months of fiscal 2002.

In June 2001, Laidlaw Inc., and five of its subsidiary holding companies - Laidlaw Investments Ltd., Laidlaw International Finance Corporation, Laidlaw One, Inc., Laidlaw Transportation, Inc. and Laidlaw U.S.A., Inc. filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the Western District of New York. At the same time, Laidlaw Inc. and Laidlaw Investments Ltd. filed cases under the Canada Companies' Creditors Arrangement Act in the Ontario Superior Court of Justice of Toronto, Ontario. Laidlaw's plan of reorganization, as filed, contemplates no distribution in value to holders of Laidlaw's equity.

Consolidated Revenue

For the nine months ended May 31, 2002, the consolidated revenue for Laidlaw's Contract Bus Services (school busing, municipal transit and paratransit), Greyhound and Healthcare Services (healthcare transportation and emergency management services) segments declined to \$3.455 billion from the \$3.462 billion for the comparable first nine months of fiscal 2001.

For the quarter ended May 31, 2002, consolidated revenue declined nominally to \$1.187 billion from the \$1.188 billion for the comparable period of fiscal 2001.

Consolidated EBITDA

Consolidated earnings, before interest, taxes, depreciation and amortization (EBITDA) for the first nine months of fiscal 2002 (before the third quarter goodwill impairment charges at the Contract Bus and Healthcare Services segments discussed below and the first quarter goodwill impairment charge at Greyhound) declined to \$429.7 million compared with \$452.6 million for the first nine months of fiscal 2001.

Consolidated EBITDA for the third quarter of fiscal 2002 (before the goodwill impairment charges) was \$159.4 million compared with \$164.0 million for the third quarter of fiscal 2001.

Recontinuance of Healthcare Businesses

As previously reported, during the fourth quarter of its 2001 fiscal year, the company determined that the Healthcare

Services businesses no longer qualified for classification as discontinued operations. The company intends to operate these service businesses with a view towards maximizing long-term value. The Healthcare Services operating results for the prior periods, which previously were reported as discontinued operations, have been reclassified as continuing operations. Certain items in the fiscal 2001 results have been reclassified to present all operations as "continuing" in the comparative fiscal period.

Goodwill Impairment

During the three months ended May 31, 2002, the company incurred a goodwill impairment charge of \$13.2 million at the Contract Bus Services segment and \$58.0 million at the Healthcare Services segment. The company reviewed the value assigned to goodwill at these segments in light of continued depressed operating results during the last few years and expected performance of these segments. These factors indicated that a permanent impairment in value existed at the respective operations. The goodwill impairment charges were calculated based on independent valuations of the underlying businesses.

Net Loss

The company reported a net loss of \$78.1 million (\$0.24 per share) for the nine months ended May 31, 2002, compared with a net loss of \$114.0 million (\$0.35 per share) for the same period of fiscal 2001.

For the quarter ended May 31, 2002, the company reported a net loss of \$17.0 million (\$0.05 per share) compared with a net loss of \$24.0 million (\$0.07 per share) for the same quarter of fiscal 2001.

Segment Results

In addition to reporting the Healthcare Services businesses as continuing operations, as previously discussed, the company has changed the reportable segments for the fiscal 2002 periods described in this release as compared to fiscal 2001. The former Education Services segment, which consisted solely of the school busing operations, has been combined with the municipal transit and paratransit operations to form the Contract Bus Services segment. The former Inter-city, Transit and Tour services segment, which consisted of Greyhound operations and the municipal transit and paratransit operations, now consists only of the Greyhound operations and has been renamed Greyhound.

Contract Bus Services

During the nine months ended May 31, 2002, revenue at Contract Bus Services increased 1.2% to \$1.533 billion from \$1.515 billion for the comparable period of fiscal 2001. EBITDA (before the \$13.2 million third quarter goodwill impairment charge) increased 3.0% to \$318.9 million compared with \$309.6 million for the same period of fiscal 2001.

During the third quarter of fiscal 2002, revenue increased 0.7% to \$ 532.0 million from \$528.4 million for the

comparable period of fiscal 2001. EBITDA (before the \$13.2 million goodwill impairment charge) was \$116.4 million compared with \$112.6 million for the third quarter of fiscal 2001.

Greyhound

For the nine months ended May 31, 2002, revenue at Greyhound declined 3.1% to \$863.2 million from the \$890.4 million for the first nine months of fiscal 2001. EBITDA (before the \$123.5 million goodwill impairment charge recorded in the first quarter of fiscal 2002) was \$32.8 million compared to \$47.8 million for the comparable fiscal 2001 period.

Revenue for the quarter ended May 31, 2002, declined 3.1% to \$297.5 million compared with \$307.1 million for the comparable fiscal 2001 period. EBITDA declined to \$14.5 million compared with \$21.3 million for the same quarter of fiscal 2001.

Healthcare Services

Healthcare Services' revenue was \$1.058 billion for the nine months ended May 31, 2002, a 0.1% increase from the \$1.057 billion for the first nine months of fiscal 2001. EBITDA (before the \$58.0 million third quarter goodwill impairment charge) was \$78.0 million compared with \$95.2 million for the comparable 2001 period.

Revenue for the quarter ended May 31, 2002, increased 1.5% to \$357.8 million from \$352.5 million for the comparable period in fiscal 2001. EBITDA (before the \$58.0 million goodwill impairment charge) decreased to \$28.5 million from \$30.1 million for the third quarter of fiscal 2001.

Nine-month Revenue and EBITDA Commentary

Year-to-date revenue growth at Contract Bus Services resulted from school busing contract price increases and the addition of new routes. Greyhound's revenue decline was the consequence of reduced ridership resulting from the effect of September 11, 2001 and a subsequent incident involving a Greyhound passenger in early October, 2001. Lower fuel prices motivated some travelers to return to their cars. Ticket price increases, resulting from increased average trip lengths, partially offset revenue declines. Healthcare Services revenue was strengthened by an increased number of transports and the renegotiation of a significant contract in the healthcare transportation business and the sale of previously written-off accounts receivable in the emergency management service business. Partially offsetting these revenue gains were exits from unprofitable contracts in the emergency management services business.

The nine-month EBITDA (before the goodwill impairment charge) increase at Contract Bus Services was the result of the new higher-margin school bus business and a reduction in school bus accident claims-related costs. These positive factors more than offset increased personnel costs across the segment and increased accident claims-related costs in the municipal transit and paratransit business. At Greyhound, lower EBITDA

(before the goodwill impairment charge) resulted from reduced ridership and increased lower-margin long-haul business along with increases in pension, security and accident claims-related costs. These factors were partially offset by reduced rent paid to the New York Port Authority for space in its terminal in Manhattan, along with reductions in advertising expenditures. The EBITDA reduction (before the goodwill impairment charge) at Healthcare Services resulted from increases in personnel-related and accident claims-related costs in the healthcare transportation business. These cost increases were partially offset by gains attributable to the sale of previously written-off accounts receivable in the emergency management services business.

Laidlaw Inc. is a holding company for North America's largest providers of school and inter-city bus transportation, municipal transit and paratransit, patient transportation and emergency management services. All dollar amounts are in U.S. dollars.

LAIDLAW INC.
(Debtor-In-Possession as of June 28, 2001)
CONSOLIDATED BALANCE SHEETS
(U.S. \$ in millions)

	May 31, 2002	August 31, 2001
	-----	-----
	(unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	\$390.9	\$318.4
Short-term deposits and marketable securities		
- at cost which approximates market value	26.2	42.4
Trade accounts receivable	623.1	509.7
Other receivables	60.6	62.6
Income taxes recoverable	12.2	20.1
Parts and supplies	52.1	54.4
Other current assets	60.9	70.3
	-----	-----
Total current assets	1,226.0	1,077.9
	-----	-----
Long-term investments	377.2	339.6
	-----	-----
Property and equipment		
Land	166.5	159.3
Buildings	286.2	268.8
Vehicles	2,099.2	2,054.0
Other	425.3	389.6
	-----	-----
	2,977.2	2,871.7
Less: Accumulated depreciation	1,350.9	1,191.0
	-----	-----
	1,626.3	1,680.7
	-----	-----
Other assets		
Goodwill (net of accumulated amortization and		

impairments of \$2,936.8; August 31, 2001		
- \$2,718.2)	819.2	1,034.8
Pension asset	43.5	45.2
Deferred charges	25.2	31.6
	-----	-----
	887.9	1,111.6
	-----	-----
Total assets	\$4,117.4	\$4,209.8
	-----	-----

LAIDLAW INC.
(Debtor-In-Possession as of June 28, 2001)
CONSOLIDATED BALANCE SHEETS
(U.S. \$ in millions)

	May 31, 2002	August 31, 2001
	-----	-----
	(unaudited)	
LIABILITIES		
Liabilities not subject to compromise		
Current liabilities		
Accounts payable	\$124.9	\$127.1
Accrued liabilities	423.9	430.9
Current portion of long-term debt	21.7	31.6
	-----	-----
Total current liabilities	570.5	589.6
Long-term debt	233.9	248.6
Other long-term liabilities	388.2	373.6
Liabilities subject to compromise	3,978.5	3,978.5
	-----	-----
Total liabilities	5,171.1	5,190.3
	-----	-----
SHAREHOLDERS' DEFICIENCY		
Preference Shares	7.9	7.9
Common Shares; issued and outstanding		
325,927,870 (August 31, 2001 - 325,927,870)	2,222.6	2,222.6
Cumulative foreign currency		
translation adjustments	(164.4)	(169.3)
Deficit	(3,119.8)	(3,041.7)
	-----	-----
Total shareholders' deficiency	(1,053.7)	(980.5)
	-----	-----
Total liabilities and shareholders' deficiency	\$4,117.4	\$4,209.8
	-----	-----

LAIDLAW INC.
 (Debtor-In-Possession as of June 28, 2001)
 CONSOLIDATED STATEMENTS OF OPERATIONS
 (U.S. \$ in millions except per share amounts)
 (unaudited)

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2002	2001	2002	2001
Revenue				
Contract Bus services	\$532.0	\$528.4	\$1,533.3	\$1,515.0
Greyhound	297.5	307.1	863.2	890.4
Healthcare services	357.8	352.5	1,058.2	1,056.7
Total revenue	1,187.3	1,188.0	3,454.7	3,462.1
Operating expenses	912.0	908.5	2,687.3	2,669.3
Selling, general and administrative expenses	115.9	115.5	337.7	340.2
Depreciation expense	76.9	72.6	225.5	217.9
Amortization expense	9.0	17.8	27.8	53.1
Goodwill impairment losses	71.2	-	194.7	-
Income (loss) from operating segments	2.3	73.6	(18.3)	181.6
Interest expense	(6.6)	(79.2)	(21.5)	(240.6)
Other financing related expenses	(13.1)	(14.1)	(42.6)	(47.8)
Other income	1.9	3.6	9.0	2.6
Loss from continuing operations before income taxes	(15.5)	(16.1)	(73.4)	(104.2)
Income tax expense	(1.5)	(7.2)	(4.7)	(11.7)
Loss from continuing operations	(17.0)	(23.3)	(78.1)	(115.9)
Income (loss) from discontinued operations	-	(0.7)	-	1.9
Net loss for the period	(\$17.0)	(\$24.0)	(\$78.1)	(\$114.0)
Basic and diluted loss per share	(\$0.05)	(\$0.07)	(\$0.24)	(\$0.35)

CONSOLIDATED STATEMENTS OF DEFICIT
 (U.S. \$ in millions)
 (unaudited)

	Nine Months Ended May 31,	
	2002	2001
Deficit - beginning of period	(\$3,041.7)	(\$2,442.5)
Net loss for the period	(78.1)	(114.0)
Dividends - Preference Shares	-	(0.3)
Deficit - end of period	(\$3,119.8)	(\$2,556.8)

LAIDLAW INC.
(Debtor-In-Possession as of June 28, 2001)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. \$ in millions)
(unaudited)

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2002	2001	2002	2001
Operating activities				
Net loss for the period	(\$17.0)	(\$24.0)	(\$78.1)	(\$114.0)
Items not affecting cash:				
Depreciation and amortization	85.9	90.4	253.3	271.0
Other financing related expenses	13.1	14.1	42.6	47.8
Goodwill impairment losses	71.2	-	194.7	-
Other items	(1.9)	(2.8)	(10.8)	(1.4)
Increase (decrease) in claims liability and professional liability insurance accruals	11.9	15.0	(4.9)	28.9
Increase (decrease) in accrued interest	(4.4)	65.2	(4.9)	210.5
Cash provided by (used in) financing other working capital items	(5.5)	18.2	(95.7)	(128.4)
Cash portion of other financing related expenses	(4.5)	(18.9)	(23.2)	(46.6)
Decrease (increase) in restricted cash and cash equivalents	(7.4)	15.3	(21.3)	27.8
Net cash provided by operating activities	\$141.4	\$172.5	\$251.7	\$295.6
Investing activities				
Purchase of property, equipment and other assets, net of proceeds from sale	(\$75.6)	(\$91.0)	(\$153.7)	(\$162.0)
Expended on acquisitions	(1.4)	(1.9)	(1.9)	(1.9)

Net increase in investments	(10.2)	(31.8)	(19.4)	(53.8)
Proceeds from sale of assets	-	-	4.2	20.5
Net cash used in investing activities	(\$87.2)	(\$124.7)	(\$170.8)	(\$197.2)
Financing activities				
Net increase (decrease) in long-term debt and other long-term liabilities	(\$15.7)	(\$22.8)	(\$29.6)	\$29.4
Net cash provided by (used in) financing activities	(\$15.7)	(\$22.8)	(\$29.6)	\$29.4
Net increase in cash and cash equivalents	\$38.5	\$25.0	\$51.3	\$127.8
Cash and cash equivalents - beginning of period(*)	294.0	210.8	281.2	108.0
Cash and cash equivalents - end of period(*)	\$332.5	\$235.8	\$332.5	\$235.8

(*) These amounts represent the unrestricted cash and cash equivalents of the Company.

Additional Information

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2002	2001	2002	2001
Revenue (\$ millions)				
Contract Bus services	\$532.0	\$528.4	\$1,533.3	\$1,515.0
Greyhound	297.5	307.1	863.2	890.4
Healthcare services	357.8	352.5	1,058.2	1,056.7
Consolidated	\$1,187.3	\$1,188.0	\$3,454.7	\$3,462.1
Income from operations before depreciation and amortization (\$millions) (*)				
Contract Bus services	\$116.4	\$112.6	\$318.9	\$309.6
Greyhound	14.5	21.3	32.8	47.8
Healthcare services	28.5	30.1	78.0	95.2
Consolidated	\$159.4	\$164.0	\$429.7	\$452.6

Operating margins before
depreciation and
amortization(*)

Contract Bus services	21.9%	21.3%	20.8%	20.4%
Greyhound	4.9%	6.9%	3.8%	5.4%
Healthcare services	8.0%	8.5%	7.4%	9.0%
Consolidated	13.4%	13.8%	12.4%	13.1%

Income (loss) from operations
(\$millions)(*)

Contract Bus services	\$60.8	\$56.5	\$153.5	\$141.6
Greyhound	(0.2)	5.4	(10.4)	0.6
Healthcare services	12.9	11.7	33.3	39.4
Consolidated	\$73.5	\$73.6	\$176.4	\$181.6

Operating margins(*)

Contract Bus services	11.4%	10.7%	10.0%	9.3%
Greyhound	(0.1)%	1.8%	(1.2)%	0.1%
Healthcare services	3.6%	3.3%	3.1%	3.7%
Consolidated	6.2%	6.2%	5.1%	5.2%

(*) excluding goodwill impairment charges for Contract Bus services of \$13.2 million, Greyhound of \$123.5 million and Healthcare services of \$58.0 million in fiscal 2002 (\$NIL in 2001).

Details of revenue growth

Three Months Ended May 31, 2002

	Price & Volume	Acquisitions	Foreign Exchange	Total
Contract Bus services	0.7%	0.1%	(0.1)%	0.7%
Greyhound	(3.1)%	0.2%	(0.2)%	(3.1)%
Healthcare services	1.5%	-%	-%	1.5%
Consolidated	-%	0.1%	(0.2)%	(0.1)%

Nine Months Ended May 31, 2002

	Price & Volume	Acquisitions	Foreign Exchange	Total
Contract Bus services	1.5%	-%	(0.3)%	1.2%
Greyhound	(2.7)%	0.2%	(0.6)%	(3.1)%
Healthcare services	0.1%	-%	-%	0.1%
Consolidated	-%	0.1%	(0.3)%	(0.2)%

For further information:

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

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