

After the acquisition is completed, the four carriers will be wholly owned subsidiaries of Laidlaw Transit, and will subsequently be merged upstream into Laidlaw Transit.⁷

Petitioners state that the proposed transactions will have only an incidental effect on regulated transportation because they primarily concern carriers providing non-regulated school transportation services. Laidlaw Transit is the largest provider of school transportation in North America;⁸ only 5% of its revenues allegedly are derived from regulated operations. Petitioners anticipate that the acquisition of NSBS and Charterways will not appreciably change this percentage.⁹

Petitioners state that the proposed transaction will permit the use of their buses to perform regulated charter and special operation services when the buses would otherwise be idle (i.e. during the school day, in the evenings, and on weekends and vacations). Additionally, they state that the proposed exemption will also reduce their administrative burdens, including those associated with duplicative regulatory filings for multiple corporate entities, and those related to unnecessary trustee arrangements and fees.

Petitioners certify that they plan no significant changes in operations or employment levels as a result of the transaction. Moreover, they assert that

state that, through a special division, Charterways holds inactive authority to transport property (MC-134301).

⁷ Petitioners state that Laidlaw has two other motor carrier affiliates that hold common and contract property authority: Corsan Trucking, Inc. (Corsan) (MC-200565); and PPM Canada Inc. (PPM) (MC-241369). They assert that the stock of Corsan is 100% beneficially owned by Laidlaw Environmental Services, Inc., a wholly owned Laidlaw subsidiary, and legal title is currently held in an independent voting trust. PPM is described as inactive; it does not currently provide motor carrier service within the United States. Petitioners state that they intend to terminate the voting trust for Corsan, but, before they do, they request that continued control of Corsan and PPM be included within the requested exemption or that jurisdiction over these affiliations be disclaimed.

Although petitioners acknowledge that it is not within our jurisdiction, they request that the MC number currently assigned to ETC (MC-161299) be assigned to Laidlaw Transit after the merger is completed. They contend that this would be more economical because the ETC number appears on the great majority of vehicles that will be designated for use in regulated operations, and, as a consequence, repainting costs would be minimized.

⁸ According to petitioners, Laidlaw Transit holds intrastate operating authority as a motor carrier of passengers in 17 states; it holds no interstate operating authority.

⁹ Because Laidlaw Transit holds no interstate operating authority, its regulated revenues presumably are derived from the regulated operations (charter and special operations) of its affiliates, but MCSI is described as inactive, and ETC's authority appears to have been revoked.

the validity of all collective bargaining agreements to which the involved carriers are party will be recognized.

Additional information may be obtained from petitioners' representatives.

Decided: August 28, 1996.

By the Board, Chairman Morgan, Vice Chairman Simmons, and Commissioner Owen.

Vernon A. Williams,
Secretary.

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[STB Finance Docket No. 33014]

Modesto and Empire Traction Company, Beard Land and Investment Co., Beard Land Improvement Company, and New Modesto and Empire Traction Company—Corporate Family Transaction Exemption

Modesto¹ and Empire Traction Company (MET), Beard Land and Investment Co. (BI), Beard Land Improvement Company (BL), and New Modesto and Empire Traction Company (NMET), have filed a joint notice of exemption to undertake a corporate family transaction. MET, a short line rail carrier, will merge into its parent BI, a noncarrier. BI and BL, a noncarrier subsidiary of MET, will concurrently transfer certain rail properties to NMET, a noncarrier company, in exchange for its common stock. The name of the surviving corporation will then be changed to Modesto and Empire Traction Company. The proposed transaction was to be consummated on the date of final agreement of parties but not sooner than August 19, 1996, the effective date of the exemption.

This is a transaction within a corporate family of the type specifically exempted from prior review and approval under 49 CFR 1180.2(d)(3). The transaction will not result in adverse changes in service levels, significant operational changes, or a change in the competitive balance with carriers operating outside applicants' corporate family. The purpose of the transaction is to simplify corporate structure to achieve certain economies and efficiencies in the surviving corporation.

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory

¹ The ICC Termination Act of 1995, Pub. L. No. 104-88, 109 Stat. 803, which was enacted on December 29, 1995, and took effect on January 1, 1996, abolished the Interstate Commerce Commission and transferred certain functions to the Surface Transportation Board (Board). This notice relates to functions that are subject to Board jurisdiction pursuant to 49 U.S.C. 11323.

obligation to protect the interests of its employees. Section 11326(c), however, does not provide for labor protection for transactions under sections 11324 and 11325 that involve only Class III railroad carriers. Because this transaction involves Class III rail carriers only, the Board, under the statute, may not impose labor protective conditions for this transaction.

Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33014, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Branch, 1201 Constitution Avenue, N.W., Washington, DC 20423 and served on: John B. Lowry, McCutchen, Doyle, Brown & Enersen, Three Embarcadero Center, 18th Floor, San Francisco, CA 94111.

Decided: September 5, 1996.

By the Board, David M. Konschnik,
Director, Office of Proceedings.

Vernon A. Williams,

Secretary.

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DEPARTMENT OF THE TREASURY

[Treasury Order Number 107-06]

Alternative Dispute Resolution, Authority Delegation

1. Pursuant to the authority vested in the Secretary of the Treasury, including the authority in 5 U.S.C. 301 and 31 U.S.C. 321(b), I hereby designate the General Counsel to be the Department's Dispute Resolution Specialist and delegate to the General Counsel authority over all matters that are commonly referred to, and related to, alternative dispute resolution, including negotiated rulemaking.

2. The authority delegated by this Order includes but is not limited to:

- a. the promulgation of Departmentwide policy and the promulgation of regulations; and
- b. the development of guidance necessary to comply with applicable law and Executive Orders.

3. With respect to the exercise of authority delegated pursuant to paragraph 2.a., the General Counsel shall consult with other concerned offices in the Departmental Offices and the Treasury bureaus, as appropriate.