



Department of Justice

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**JUSTICE DEPARTMENT CLEARS RESTRUCTURED WESTINGHOUSE
AIR BRAKE CO. DEAL WITH VAPOR CORP.**

**Original Transaction Would Have Lessened Competition
for Subway Car Door Systems**

WASHINGTON, D.C. -- The Department of Justice today said that it would allow Westinghouse Air Brake Company, a Pennsylvania-based railroad products producer, to go forward with its acquisition of Vapor Corporation, a subway car door system supplier, given that Westinghouse addressed the Department's competitive concerns by selling its 50 percent interest in another subway car door system supplier.

The Department said that because Illinois-based Vapor Corp. and Pennsylvania-based Westcode are the only U.S. subway and rail car door suppliers, Westinghouse's spin-off of Westcode will ensure that the rail car door systems market in the United States remains competitive.

The deal allows Vapor Corp.'s parent company, Mark IV Industries, to sell a number of subsidiaries engaged in the manufacture and sale of rail car door systems and other equipment for the railway, passenger transit, and bus industries to Westinghouse.

Rail car door systems are the mechanisms used to open and close doors on passenger transit rail cars. They are sold to rail car builders and public transit authorities.

Anne K. Bingaman, Assistant Attorney General in charge of the Department's Antitrust Division, said, "The transaction as originally structured would have combined the only U.S. producers of rail car door systems. Every subway commuter in America knows how important quality rail door systems are. An independent Westcode will preserve the competition that keeps prices low and quality high."

The Department investigated Westinghouse's proposed acquisition of Vapor Corp., and other Mark IV subsidiaries, to determine whether combining Vapor and Westinghouse-controlled Westcode would reduce competition in the manufacture and sale of the door systems used in passenger rail cars in the United States.

In response to the Department's competitive concerns, Westinghouse agreed to find a suitable buyer for its Westcode interest, and ultimately sold its 50-percent stock interest back to Westcode.

Bingaman cited this case as another example of the Department's efforts to work with parties to remedy competitive problems that arise in the context of larger merger deals so that those transactions can proceed once the competitive problems are resolved.

Westinghouse Air Brake Co. is based in Wilmerding, Pennsylvania, and sells products for the railway and passenger transit industry. It acquired a 50-percent interest in Westcode in January 1995.

Westcode is headquartered in West Chester, Pennsylvania. It sells rail car door, ventilation, air conditioning, and heating systems to the passenger transit industry.

As part of the transaction, Westinghouse will also acquire other assets of Vapor Corp.'s parent company, Mark IV Industries. Mark IV, headquartered in Amherst, New York, plans to sell the following of its subsidiaries to Westinghouse: Vapor Corporation; Mark IV Transportation Products Corporation; Mark IV Netherlands B.V.; Vapor Canada Inc.; Mark IV Industries Ltd.; and Vapor UK Ltd.

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