UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)
[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 30, 2002

or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from ________________ to ____________________

Commission File Number: 0-21238

LANDSTAR SYSTEM, INC.
(Exact name of registrant as specified in its charter)

Delaware	06-1313069
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

13410 Sutton Park Drive South, Jacksonville, Florida
(Address of principal executive offices)

32224
(Zip Code)

(904) 398-9400
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes (X) No ( )

The number of shares of the registrant's Common Stock, par value $.01 per share, outstanding as of the close of business on May 3, 2002 was 8,117,953.

PART I

FINANCIAL INFORMATION

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Item 1

Item 1. Financial Statements

The interim consolidated financial statements contained herein reflect all adjustments (all of a normal, recurring nature) which, in the opinion of management, are necessary for a fair statement of the financial condition, results of operations, cash flows and changes in shareholders' equity for the periods presented. They have been prepared in accordance with Rule 10-01 of Regulation S-X and do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. Operating results for the thirteen weeks ended March 30, 2002 are not necessarily indicative of the results that may be expected for the entire fiscal year ending December 28, 2002.

These interim financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company's 2001 Annual Report on Form 10-K.

LANDSTAR SYSTEM, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except per share amounts)
(Unaudited)

	March 30, 2002	Dec. 29, 2001
ASSETS		
Current assets:		
Cash	$ 59,840	$ 47,886
Short-term investments	1,305	2,982
Trade accounts receivable, less allowance of $3,982 and $4,416	179,379	185,206
Other receivables, including advances to independent contractors, less allowance of $5,135 and $4,740	22,530	13,779
Prepaid expenses and other current assets	3,482	4,020
Total current assets	266,536	253,873
Operating property, less accumulated depreciation and amortization of $46,684 and $44,455	66,142	68,532
Goodwill	31,134	31,134
Other assets	14,380	11,112

Total assets	$ 378,192	$ 364,651
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Cash overdraft	$ 14,758	$ 13,018
Accounts payable	59,484	55,813
Current maturities of long-term debt	10,084	9,965
Insurance claims	22,820	21,602
Other current liabilities	41,599	31,667
Total current liabilities	148,745	132,065
Long-term debt, excluding current maturities	76,879	91,909
Insurance claims	22,735	21,585
Deferred income taxes	1,207	1,652
Shareholders' equity:		
Common stock, $.01 par value, authorized 20,000,000 shares, issued 13,347,594 and 13,328,834 shares	133	133
Additional paid-in capital	75,630	75,036
Retained earnings	266,676	258,162
Cost of 5,241,841 shares of common stock in treasury	(209,926)	(209,926)
Notes receivable arising from exercise of stock options	(3,887)	(5,965)
Total shareholders' equity	128,626	117,440
Total liabilities and shareholders' equity	$ 378,192	$ 364,651

See accompanying notes to consolidated financial statements.

LANDSTAR SYSTEM, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
(Dollars in thousands, except per share amounts)
(Unaudited)

	Thirteen Weeks Ended	
	March 30, 2002	March 31, 2001
Revenue	$ 335,693	$ 331,281
Investment income	563	1,056
Costs and expenses:		
Purchased transportation	247,188	244,155
Commissions to agents	26,088	26,117
Other operating costs	8,106	8,103
Insurance and claims	10,907	7,803
Selling, general and administrative	26,048	26,862
Depreciation and amortization	2,879	3,490
Total costs and expenses	321,216	316,530
Operating income	15,040	15,807
Interest and debt expense	1,308	2,222
Income before income taxes	13,732	13,585
Income taxes	5,218	5,231
Net income	$ 8,514	$ 8,354
Earnings per common share	$ 1.05	$ 0.98
Diluted earnings per share	$ 1.02	$ 0.96
Average number of shares outstanding:		

Earnings per common share	8,097,000	8,512,000
Diluted earnings per share	8,364,000	8,730,000

See accompanying notes to consolidated financial statements.

LANDSTAR SYSTEM, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)
(Unaudited)

	Thirteen Weeks Ended	
	March 30, 2002	March 31, 2000
OPERATING ACTIVITIES		
Net income	$ 8,514	$ 8,354
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of operating property	2,879	3,186
Amortization of goodwill		304
Non-cash interest charges	68	81
Provisions for losses on trade and other accounts receivable	1,428	1,305
Losses (gains) on sales of operating property	6	(102)
Deferred income taxes, net	(445)	68
Changes in operating assets and liabilities:		
Decrease (increase) in trade and other accounts receivable	(4,352)	2,220
Decrease in prepaid expenses and other assets	2,601	2,469
Increase (decrease) in accounts payable	3,671	(2,375)
Increase (decrease) in other liabilities	9,932	(3,963)
Increase (decrease) in insurance claims	2,368	(3,897)
NET CASH PROVIDED BY OPERATING ACTIVITIES	26,670	7,650
INVESTING ACTIVITIES		
Maturities of investments	2,000	498
Purchases of investments	(5,722)	
Purchases of operating property	(715)	(1,309)
Proceeds from sales of operating property	220	307
NET CASH USED BY INVESTING ACTIVITIES	(4,217)	(504)
FINANCING ACTIVITIES		
Increase (decrease) in cash overdraft	1,740	(1,899)
Proceeds from exercise of stock options	2,672	154
Principal payments on long-term debt and capital lease obligations	(14,911)	(10,482)
NET CASH USED BY FINANCING ACTIVITIES	(10,499)	(12,227)
Increase (decrease) in cash	11,954	(5,081)
Cash at beginning of period	47,886	32,926
Cash at end of period	$ 59,840	$ 27,845

See accompanying notes to consolidated financial statements.

LANDSTAR SYSTEM, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
Thirteen Weeks Ended March 30, 2002
(Dollars in thousands)
(Unaudited)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Treasury Stock at Cost Shares	Treasury Stock at Cost Amount	Notes Receivable Arising from Exercise of Stock Options	Total
Balance December 29, 2001	13,328,834	$ 133	$ 75,036	$ 258,162	5,241,841	$(209,926)	$ (5,965)	$ 117,440
Net income				8,514				8,514
Exercises of stock options	18,760		594				2,078	2,672
Balance March 30, 2002	13,347,594	$ 133	$ 75,630	$ 266,676	5,241,841	$(209,926)	$ (3,887)	$ 128,626

See accompanying notes to consolidated financial statements.

LANDSTAR SYSTEM, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The consolidated financial statements include the accounts of Landstar System, Inc. and its subsidiary, Landstar System Holdings, Inc., and reflect all adjustments (all of a normal, recurring nature) which are, in the opinion of management, necessary for a fair statement of the results for the periods presented. The preparation of the consolidated financial statements requires the use of management's estimates. Actual results could differ from those estimates. Landstar System, Inc. and its subsidiary are herein referred to as "Landstar" or the "Company."

(1) Income Taxes

The provisions for income taxes for the 2002 and 2001 thirteen-week periods were based on estimated full year combined effective income tax rates of approximately 38.0% and 38.5%, respectively, which are higher than the statutory federal income tax rate primarily as a result of state income taxes and the meals and entertainment exclusion in both years and the amortization of certain goodwill in the 2001 period.

(2) Earnings Per Share

Earnings per common share amounts are based on the weighted average number of common shares outstanding and diluted earnings per share amounts are based on the weighted average number of common shares outstanding plus the incremental shares that would have been outstanding upon the assumed exercise of all dilutive stock options.

(3) Goodwill

The Company adopted Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets" in the first quarter of fiscal year 2002. SFAS No. 142 eliminated the requirement to amortize goodwill and requires that it be tested for impairment on an annual basis. During the first quarter of 2002 the Company completed the transitional goodwill impairment test and determined that the fair value of each reporting unit exceeded the carrying value of the net assets of each reporting unit. Accordingly, no impairment loss was recognized. Adoption of SFAS No. 142 resulted in the elimination of goodwill amortization expense beginning with the first quarter of 2002. During the first quarter of 2001, the Company recorded $304,000 of goodwill amortization expense. Elimination of this amortization expense would have resulted in net income of $8,658,000 in the first quarter of 2001, or an increase of $0.04 in earnings per share ($0.03 per diluted share). The Company has no other intangible assets subject to the provisions of SFAS No. 142.

(4) Additional Cash Flow Information

During the 2002 period, Landstar paid income taxes and interest of $25,000 and $1,097,000, respectively. During the 2001 period, Landstar paid income taxes and interest of $354,000 and $2,371,000, respectively.

(5) Segment Information

The following tables summarize information about Landstar's reportable business segments as of and for the thirteen weeks ended March 30, 2002 and March 31, 2001 (in thousands):

Thirteen Weeks Ended March 30, 2002

	Carrier	Multimodal	Insurance	Other	Total
External revenue	$ 269,963	$ 58,719	$ 7,011		$ 335,693
Investment income			563		563
Internal revenue	5,146	515	6,609		12,270
Operating income	16,856	1,140	5,322	$ (8,278)	15,040
Goodwill	20,496	10,638			31,134

Thirteen Weeks Ended March 31, 2001

	Carrier	Multimodal	Insurance	Other	Total
External revenue	$ 263,385	$ 61,829	$ 6,067		$ 331,281
Investment income			1,056		1,056
Internal revenue	6,639	482	5,366		12,487
Operating income	17,034	586	7,196	$ (9,009)	15,807
Goodwill	21,123	11,047			32,170

(6) Commitments and Contingencies

At March 30, 2002, Landstar had commitments for letters of credit outstanding in the amount of $19,929,000, primarily as collateral for insurance claims. The commitments for letters of credit outstanding included $9,080,000 under the Third Amended and Restated Credit Agreement and $10,849,000 secured by assets deposited with a financial institution.

Landstar is involved in certain claims and pending litigation arising from the normal conduct of business. Based on the knowledge of the facts and, in certain cases, opinions of outside counsel, management believes that adequate provisions have been made for probable losses with respect to the resolution of all claims and pending litigation and that the ultimate outcome, after provisions thereof, will not have a material adverse effect on the financial condition of Landstar, but could have a material effect on the results of operations in a given quarter or year.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the attached interim consolidated financial statements and notes thereto, and with the Company's audited financial statements and notes thereto for the fiscal year ended December 29, 2001 and Management's Discussion and Analysis of Financial Condition and Results of Operations included in the 2001 Annual Report to Shareholders.

RESULTS OF OPERATIONS

Landstar System, Inc. and its subsidiary, Landstar System Holdings, Inc. ("Landstar" or the "Company"), provide transportation services to a variety of market niches throughout the United States and to a lesser extent in Canada and between the United States and Canada and Mexico through its operating subsidiaries. The Company has three reportable business segments. These are the carrier, multimodal and insurance segments.

The carrier segment consists of Landstar Ranger, Inc., Landstar Inway, Inc., Landstar Ligon, Inc. and Landstar Gemini, Inc. The carrier segment provides truckload transportation for a wide range of general commodities over irregular routes with its fleet of dry and specialty vans and unsided trailers, including flatbed, drop deck and specialty. It also provides short-to-long haul movement of containers by truck and dedicated power-only truck capacity and truck brokerage. The carrier segment markets its services primarily through independent commission sales agents and utilizes tractors provided by independent contractors. The nature of the carrier segment's business is such that a significant portion of its operating costs varies directly with revenue.

The multimodal segment is comprised of Landstar Logistics, Inc. and Landstar Express America, Inc. Transportation services provided by the multimodal segment include the arrangement of intermodal moves, contract logistics, truck brokerage and emergency and expedited ground and air freight. The multimodal segment markets its services through independent commission sales agents and utilizes capacity provided by independent contractors, including railroads and air cargo carriers. The nature of the multimodal segment's business is such that a significant portion of its operating costs also varies directly with revenue.

The insurance segment is comprised of Signature Insurance Company ("Signature"), a wholly-owned offshore insurance subsidiary and Risk Management Claim Services, Inc. The insurance segment provides risk and claims management services to Landstar's operating companies. In addition, it reinsures certain property, casualty and occupational accident risks of certain independent contractors who have contracted to haul freight for Landstar and provides certain property and casualty insurance directly to Landstar's operating subsidiaries.

Purchased transportation represents the amount an independent contractor is paid to haul freight and is primarily based on a contractually agreed-upon percentage of revenue generated by the haul for truck capacity provided by independent contractors. Purchased transportation for the brokerage services operations of the carrier and multimodal segments is based on a negotiated rate for each load hauled. Purchased transportation for the intermodal services operations and the air freight operations of the multimodal segment is based on a contractually agreed-upon fixed rate. Purchased transportation as a percentage of revenue for the intermodal services operations and brokerage services is normally higher than that of Landstar's other transportation operations. Purchased transportation is the largest component of costs and expenses and, on a consolidated basis, increases or decreases in proportion to the revenue generated through independent contractors. Commissions to agents are primarily based on contractually agreed-upon percentages of revenue at the carrier segment and of gross profit, revenue less the cost of purchased transportation, at the multimodal segment. Commissions to agents as a percentage of consolidated revenue will vary directly with the percentage of consolidated revenue generated by the carrier segment, the multimodal segment and Signature and increases or decreases in gross profit at the multimodal segment.

Trailing equipment rent and maintenance costs are the largest components of other operating costs.

Potential liability associated with accidents in the trucking industry is severe and occurrences are unpredictable. A material increase in the frequency or severity of accidents or workers' compensation claims or the unfavorable development of existing claims can be expected to adversely affect Landstar's operating income. Landstar retains liability for each individual commercial trucking claim up to $1,000,000 per occurrence through April 30, 2001 and $5,000,000 per occurrence thereafter. Landstar retains liability for each individual unladen truckers liability claim (claims incurred while the vehicle is being operated without a trailer attached or is being operated with an attached trailer which does not contain or carry any cargo) up to $25,000 per occurrence through December 31, 2001 and $1,000,000 thereafter. The Company also retains liability for each general liability claim up to $1,000,000, $250,000 for each workers' compensation claim and $250,000 for each cargo claim.

Employee compensation and benefits account for over half of the Company's selling, general and administrative expense. Other significant components of selling, general and administrative expense are communications costs and rent expense.

Depreciation and amortization primarily relates to depreciation of trailing equipment and management information services equipment.

The following table sets forth the percentage relationships of income and expense items to revenue for the periods indicated:

	Thirteen Weeks Ended	
	March 30, 2002	March 31, 2001
Revenue	100.0%	100.0%
Investment income	0.2	0.3
Costs and expenses:		
Purchased transportation	73.6	73.7
Commissions to agents	7.8	7.9
Other operating costs	2.4	2.4
Insurance and claims	3.2	2.4
Selling, general and administrative	7.8	8.1
Depreciation and amortization	0.9	1.0
Total costs and expenses	95.7	95.5
Operating income	4.5	4.8
Interest and debt expense	0.4	0.7

Income before income taxes	4.1	4.1
Income taxes	1.6	1.6
Net income	2.5%	2.5%

THIRTEEN WEEKS ENDED MARCH 30, 2002 COMPARED TO THIRTEEN WEEKS ENDED MARCH 31, 2001

Revenue for the 2002 thirteen-week period was $335,693,000, an increase of $4,412,000, or 1.3%, over the 2001 thirteen-week period. The increase was attributable to increased revenue of $6,578,000 and $944,000 at the carrier and insurance segments, respectively, partially offset by decreased revenue at the multimodal segment of $3,110,000. Overall, revenue per revenue mile (price) decreased approximately 3%, while revenue miles (volume) were approximately 5% higher than 2001. The increase in premium revenue at the insurance segment was primarily attributable to an increase in the level of reinsurance underwritten for unladen truckers liability from $25,000 per occurrence to $1,000,000 per occurrence effective January 1, 2002. Investment income at the insurance segment was $563,000 and $1,056,000 in the 2002 and 2001 periods, respectively. The decrease in investment income was primarily due to a reduced rate of return, attributable to the decline in interest rates, on investments held by the insurance segment.

Purchased transportation was 73.6% and 73.7% of revenue in 2002 and 2001, respectively. Commissions to agents were 7.8% and 7.9% of revenue in 2002 and 2001, respectively. The decrease in purchased transportation and commissions to agents as a percentage of revenue was primarily due to the increased premium revenue at the insurance segment.

Other operating costs were 2.4% of revenue in both 2002 and 2001. Insurance and claims were 3.2% of revenue in 2002 compared with 2.4% of revenue in 2001. The increase in insurance and claims as a percentage of revenue was primarily attributable to the increased level of risk assumed for the unladen truckers liability program effective January 1, 2002, favorable development of prior year claims in 2001, an increase in the percentage of revenue generated through independent contractors, which has a higher risk profile than revenue generated through broker carriers, and unfavorable development of prior year claims in 2002, partially offset by reduced premiums for commercial trucking liability insurance related to the increase in the level of self-insured retention from $1,000,000 per occurrence to $5,000,000 per occurrence effective May 1, 2001. Selling, general and administrative costs were 7.8% of revenue in 2002 compared with 8.1% of revenue in 2001. The decrease in selling, general and administrative costs as a percentage of revenue was primarily due to decreased wages, benefits and travel and entertainment expense, partially offset by an increased provision for customer bad debts. Depreciation and amortization was 0.9% of revenue in 2002 and 1.0% of revenue in 2001. The decrease in depreciation and amortization as a percentage of revenue was primarily due to the January 1, 2002 implementation of SFAS No. 142, which eliminated the amortization of goodwill.

Interest and debt expense was 0.4% and 0.7% of revenue in 2002 and 2001, respectively. This decrease was primarily attributable to the effect of lower interest rates and decreased capital lease obligations for trailing equipment.

The provisions for income taxes for the 2002 and 2001 thirteen-week periods were based on estimated full year combined effective income tax rates of approximately 38.0% and 38.5%, respectively, which are higher than the statutory federal income tax rate primarily as a result of state income taxes and the meals and entertainment exclusion in both years and the amortization of certain goodwill in the 2001 period. The decrease in the effective income tax rate was primarily attributable to the elimination of goodwill amortization in 2002.

Net income was $8,514,000, or $1.05 per common share ($1.02 per diluted share), in the 2002 period compared with $8,354,000, or $0.98 per common share ($0.96 per diluted share), in the 2001 period. Excluding goodwill amortization net income for the 2001 period would have been $8,658,000, or $1.02 per common share ($0.99 per diluted share).

CAPITAL RESOURCES AND LIQUIDITY

Shareholders' equity increased to $128,626,000 at March 30, 2002 compared with $117,440,000 at December 29, 2001, primarily as a result of net income for the period. Shareholders' equity was 60% and 54% of total capitalization at March 30, 2002 and December 29, 2001, respectively. As of March 30, 2002, the Company may purchase 500,000 shares of its common stock under its authorized stock purchase program.

Working capital and the ratio of current assets to current liabilities were $117,791,000 and 1.79 to 1, respectively, at March 30, 2002, compared with $121,808,000 and 1.92 to 1, respectively, at December 29, 2001. Landstar has historically operated with current ratios within the range of 1.5 to 1 to 2.0 to 1. Cash provided by operating activities was $26,670,000 in the 2002 thirteen-week period compared with $7,650,000 in the 2001 thirteen-week period. The increase in cash flow provided by operating activities was primarily attributable to timing of payments. During the 2002 period, Landstar purchased $715,000 of operating property. Management anticipates acquiring approximately $27,000,000 of operating property during the remainder of fiscal year 2002 either by purchase or lease financing.

Management believes that cash flow from operations combined with the Company's borrowing capacity under its revolving credit agreement will be adequate to meet Landstar's debt service requirements, fund continued growth, both internal and through acquisitions, and meet working capital needs.

INFLATION

Management does not believe inflation has had a material impact on the results of operations or financial condition of Landstar in the past five years. However, inflation higher than that experienced in the past five years might have an adverse effect on the Company's results of operations.

FORWARD-LOOKING STATEMENTS

The following is a "safe harbor" statement under the Private Securities Litigation Reform Act of 1995. Statements contained in this document that are not based on historical facts are "forward-looking statements." This Management's Discussion and Analysis of Financial Condition and Results of Operations and other sections of this Form 10-K statement contain forward-looking statements, such as statements which relate to Landstar's business objectives, plans, strategies and expectations. Terms such as "anticipates," "believes," "estimates," "plans," "predicts," "may," "should," "will," the negative thereof and similar expressions are intended to identify forward-looking statements. Such statements are by nature subject to uncertainties and risks, including but not limited to; an increase in the frequency or severity of accidents or workers' compensation claims; unfavorable development of existing accident claims; a downturn in domestic economic growth or growth in the transportation sector; and other operational, financial or legal risks or uncertainties detailed in Landstar's SEC filings from time to time. These risks and uncertainties could cause actual results or events to differ materially from historical results or those anticipated. Investors should not place undue reliance on such forward-looking statements, and the Company undertakes no obligation to publicly update or revise any forward-looking statements.

SEASONALITY

Landstar's operations are subject to seasonal trends common to the trucking industry. Results of operations for the quarter ending in March is typically lower than the quarters ending June, September and December due to reduced shipments and higher operating costs in the winter months.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company maintains a credit agreement with a syndicate of banks and JPMorgan Chase Bank, as the administrative agent, (the "Third Amended and Restated Credit Agreement") that provides $175,000,000 of borrowing capacity in the form of a revolving credit facility, $50,000,000 of which may be utilized in the form of letter of credit guarantees. Borrowings under the Third Amended and Restated Credit Agreement bear interest at rates equal to, at the option of Landstar, either (i) the greatest of (a) the prime rate as publicly announced from time to time by JPMorgan Chase Bank, (b) the three month CD rate adjusted for statutory reserves and FDIC assessment costs plus 1% and (c) the federal funds effective rate plus 1/2%, or, (ii) the rate at the time offered to JPMorgan Chase Bank in the Eurodollar market for amounts and periods comparable to the relevant loan plus a margin that is determined based on the level of the Company's Leverage Ratio, as defined in the Third Amended and Restated Credit Agreement. There have been no significant changes that would affect the information provided in Item 7a of the 2001 Annual Report on Form 10-K regarding quantitative and qualitative disclosures about market risk.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings

The Company is routinely a party to litigation incidental to its business, primarily involving claims for personal injury and property damage incurred in the transportation of freight. The Company maintains insurance which covers liability amounts in excess of retained liabilities from personal injury and property damages claims.

Item 2. Changes in Securities

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

The exhibits listed on the Exhibit Index are filed as part of this quarterly report on Form 10-Q.

(b) Form 8-K

None

EXHIBIT INDEX

Registrant's Commission File No.: 0-21238

Exhibit No.	Description
(11)	Statement re: Computation of Per Share Earnings:
11.1 *	Landstar System, Inc. and Subsidiary Calculation of Earnings Per Common Share for the Thirteen Weeks Ended March 30, 2002 and March 31, 2001
11.2 *	Landstar System, Inc. and Subsidiary Calculation of Diluted Earnings Per Share for the Thirteen Weeks Ended March 30, 2002 and March 31, 2001

* Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LANDSTAR SYSTEM, INC.

Date: May 10, 2002

Henry H. Gerkens

Henry H. Gerkens
President and Chief Operating Officer

Date: May 10, 2002

Robert C. LaRose

Robert C. LaRose
Vice President, Chief Financial Officer and Secretary

EXHIBIT 11.1

LANDSTAR SYSTEM, INC. AND SUBSIDIARY
CALCULATION OF EARNINGS PER COMMON SHARE
(In thousands, except per share amounts)
(Unaudited)

	Thirteen Weeks Ended	
	March 30, 2002	March 31, 2001
Net income	$ 8,514	$ 8,354
Average number of common shares outstanding	8,097	8,512
Earnings per common share	$ 1.05	$ 0.98

EXHIBIT 11.2

LANDSTAR SYSTEM, INC. AND SUBSIDIARY
CALCULATION OF DILUTED EARNINGS PER SHARE
(In thousands, except per share amounts)
(Unaudited)

	Thirteen Weeks Ended	
	March 30, 2002	March 31, 2001
Net income	$ 8,514	$ 8,354
Average number of common shares outstanding	8,097	8,512
Plus: Incremental shares from assumed exercise of stock options	267	218
Average number of common shares and common share equivalents outstanding	8,364	8,730
Diluted earnings per share	$ 1.02	$ 0.96