



STATE OF CONNECTICUT
DEPARTMENT OF TRANSPORTATION



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NEWINGTON, CONNECTICUT 06131-7546

Phone:

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DOCKET NO. 1402-AV-126-L

RE: APPLICATION OF SKY TRANSPORTATION, LLC TO OPERATE TEN (10) ADDITIONAL MOTOR VEHICLES, HAVING A SEATING CAPACITY OF TEN (10) ADULTS OR LESS, IN THE TRANSPORTATION OF PASSENGERS FOR HIRE BY VIRTUE OF A CONTRACT WITH, OR A LOWER TIER CONTRACT FOR, ANY FEDERAL, STATE OR MUNICIPAL AGENCY BETWEEN ALL POINTS IN CONNECTICUT FROM A HEADQUARTERS IN PLYMOUTH, CONNECTICUT.

FINAL DECISION

October 8, 2014

I. INTRODUCTION

A. Application

By application filed on February 4, 2014 with the Department of Transportation (hereinafter "department"), pursuant to Section 13b-103(a)(3) of the Connecticut General Statutes, as amended, Sky Transportation, LLC (hereinafter "applicant") located at 81 Hillside Avenue, Plymouth, Connecticut seeks authorization to operate ten additional (10) motor vehicles, having a seating capacity of ten (10) adults or less, in the transportation of passengers for hire by virtue of a contract with, or a lower tier contract for, any federal, state or municipal agency between all points in Connecticut from a headquarters in the town of Plymouth.

Sky Transportation, LLC is currently the holder of Livery Permit No. 3304 and is authorized to operate motor vehicles in general livery service and under contract with Logisticare.

B. Hearing

Pursuant to Connecticut General Statutes Section 13b-103(a)(3), as amended, a public hearing on this application was held on July 1 and August 28, 2014.

Notice of the application and of the hearing to be held thereon was given to the applicant and to such other parties as required pursuant to General Statutes Section 13b-103(a)(1). Legal notice to the public was given by publication on the department's web site at www.ct.gov/dot.

The undersigned hearing officer was designated by the Commissioner of Transportation to conduct the hearing on this matter, pursuant to Connecticut General Statutes Section 13b-17.

C. Appearances

The applicant appeared through its owners Grigory and Roman Genov, and was represented by Polina Bodner Shapiro, Esq., whose mailing address is 650 Farmington Avenue, Hartford, Connecticut 06105.

Managed Transportation, Inc. d/b/a Four Star Limousine (hereinafter "Managed Transportation") is holder of Livery Permit 2147 and operates livery vehicles from a headquarters in Waterbury, a town contiguous to Plymouth. Managed Transportation Services, Inc. d/b/a Four Star Limousine appeared through its president, Raymond Manzelli and was represented by Jeffrey A. Zyjeski, Esq., 469 New Road, Avon Connecticut 06001. Managed Transportation petitioned for, and was granted, intervenor

status.

Metropolitan Livery, Inc. holder of Livery Permit No. 736, appeared through its owner, William Scalzi, and was represented by Jeffrey A. Zyjeski, Esq., 469 New Road, Avon Connecticut 06001. Metropolitan Livery, Inc. petitioned for party or intervenor status. Status was denied because the petitioner does not maintain a headquarters in Plymouth, Connecticut, nor in any town contiguous to Plymouth.

Suburban Transportation, Inc. and Farmington Valley Limo, LLC petitioned for party or intervenor status. The petitioners were represented by Mary Alice Moore Leonhardt, Esq. of Rome McGuigan, P.C. Attorneys at Law, One State Street, Hartford, Connecticut 06103. Prior to the commencement of the hearing, Attorney Leonhardt withdrew the petitions of Suburban Transportation, Inc. and Farmington Valley Limo, LLC.

II. FINDINGS OF FACT

1. Sky Transportation, LLC holds Livery Permit No. 3304 and is authorized to operate three motor vehicles in general livery service, which it purchased from another company and three motor vehicles in service under contract with Logisticare Solutions, LLC (hereinafter "Logisticare").
2. Logisticare is a transportation broker that provides non-emergency medical transportation to Medicaid clients in the State of Connecticut.
3. Roman Genov and his partner, Grigory Genov, own the applicant company. The applicant provides only transportation service to Logisticare from the Plymouth – Waterbury areas across the State, as Logisticare requests.
4. The applicant provides approximately 50 and 60 round trips per day for Logisticare with its current fleet.
5. There are no citations pending against the applicant, nor do the managers of the applicant have any criminal convictions.
6. The applicant's cash on hand as of October 31, 2013 totals approximately \$21,100. The annual insurance premium for the three vehicles is \$8,645, which is financed monthly. Other estimated costs and expenses including office expenses, gas, repairs and maintenance, payroll and insurance for the five month period of July 2013 to October 2013 totals \$75,200. The applicant's total revenue for said period is \$98,200 and its net income was \$22,900.

7. Claude Bisson is the Transportation Manager for Logisticare. Bisson procures and monitors transportation providers to support Department of Social Services contracts for non-emergency medical transportation.
8. In January 2014, Logisticare was advised by the Department of Social Services that under the Affordable Care Act, the Medicaid population would increase in Connecticut by an estimated 100,000 members. Currently Logisticare's number client base exceeds 800,000 and continues to grow.
9. Logisticare is being proactive with regard to the number of cars that it is supporting to ensure that cars are available, when needed, to provide non-emergency medical transportation. Logisticare is currently contracted with 60 providers.
10. Logisticare consistently supports requests for additional vehicles because of the last minute nature of its business and its need to have vehicles at its disposal.
11. The contract by and between Logisticare and the applicant is current, executed and automatically renews annually.
12. Logisticare requires service providers who are willing to provide transportation, sometimes statewide, on short notice to meet the calls they are trying to dispatch.
13. Logisticare does not guarantee the volume of trips that a provider might get. Nor does Logisticare guarantee a minimum number of trips per provider because the volume varies based on time of year, types of appointments, etc.
14. Logisticare receives returned calls from transportation providers because of the inability of a provider to provide the ride, due to lack of vehicles or lack of time.
15. Those returned calls are rerouted to other providers or they are rescheduled. There are approximately 300-400 trips per week that are re-routed. Eighty percent of these returned trips are handled, the rest are rescheduled or are no shows.
16. In assigning trips to its providers, Logisticare takes into consideration the providers' primary dispatch location and uses that location as the area in which trip assignments are made. This keeps the operating expenses of the provider lower because capitated rates paid to the providers does not reimburse for dead-head miles.

17. Managed Transportation Services, Inc. is holder of Livery Permit No. 2206 and operates livery vehicles under contract with Logisticare and has the capacity to provide rides to Logisticare, above the call volume it is currently providing to Logisticare. Managed Transportation does not have wheelchair accessible vehicles.
18. Managed Transportation provides approximately 165 trips per day for Logisticare with a 10% return back to Logisticare. On the day of the service to be provided for Logisticare clients, Managed Transportation receives approximately 20% to 30% cancellations or no-shows.
19. Metropolitan Livery, Inc., holder of Livery Permit No. 736 operates livery vehicles under contract with Logisticare and has capacity to provide rides to Logisticare, above the call volume it is currently providing to Logisticare. Metropolitan Livery can provide service throughout the State, including the northeastern part of the State.
20. Ace Taxi Service, Inc. d/b/a Ace Transportation is holder of Livery Permit No. 2699 and operates livery vehicles under contract with Logisticare and has the capacity to provide rides to Logisticare, above the call volume it is currently providing to Logisticare. Ace Transportation currently provides transportation for Logisticare in the Willimantic area (eastern part of the State) and can provide Logisticare with trips in the northeast part of the State.
21. Logisticare had some minor complaints regarding some providers, but those complaints did not include any of the providers attending the hearing.
22. Logisticare has a prompt need specifically for wheelchair transportation. On a daily basis, Logisticare is unable to provide on average of ten (10) to fifteen (15) wheelchair trips in the Hartford area, because the wheelchair accessible vehicles that are available are in use at the same time.

III. DISCUSSION AND CONCLUSIONS OF LAW

The department has jurisdiction over each person, association, limited liability company or corporation owning or operating a motor vehicle in livery service, pursuant to General Statutes Section 13b-102, as amended.

In determining whether a livery permit should be granted, the department shall take into consideration the present or future public convenience and necessity. The applicant must prove that the public's convenience and necessity will be improved by the proposed service. Additionally, the applicant must show the suitability of the applicant or

the suitability of the management if the applicant is a limited liability company or corporation, the financial responsibility of the applicant, the ability of the applicant efficiently and properly to perform the service for which authority is requested and the fitness, willingness and ability of the applicant to conform to the provisions of the statutes and the requirements and regulations of the department thereunder, in accordance with General Statutes Section 13b-103.

The applicant provided the requisite balance sheet and proof of its cash on hand. The applicant showed a net profit and has funds to operate for an initial six months. The applicant is currently in operation and has had no problems with its operation. The applicant possesses the financial wherewithal to operate the proposed additional service.

The owners/managers of the applicant company, Grigory and Roman Genov testified to their ability and willingness to operate within the confines of the regulatory scheme governing livery service. There are no citations pending against the applicant, nor have the management members been involved in criminal activity. The applicant, therefore, is suitable to operate the proposed additional service.

Lastly, on the issue of public convenience and necessity, the evidence shows that the applicant and Logisticare are parties to an existing contract for non-emergency transportation services to Medicaid patients. Logisticare's demand for non-emergency transportation has increased significantly due to the passage of the Affordable Care Act. The question that remains is how many vehicles are required to meet the public convenience and necessity pursuant to the applicant's contract with Logisticare.

Claude Bisson testified that Logisticare has a need for additional vehicles to provide non-emergency transportation for Medicaid clients in northeastern Connecticut. He testified that he had no providers in the northeast area of the State to meet the demand. However, the applicant's headquarters is in Plymouth, further from the northeast of Connecticut than other providers who also contract with Logisticare. Although the applicant indicated to Logisticare that they would dispatch vehicles from a town closer than Plymouth to the area of concern, other providers in attendance at the hearing testified that they are able, and have the vehicles, to provide such service to the northeast part of the State.

The testimony of the witnesses shows that there may be communication failure between Logisticare and the transportation providers. Bisson testified that Logisticare cannot, or will not, guarantee to the providers a specified number of trips per day in a certain area. Although some of the transportation providers disagreed with Bisson's statement, this is Logisticare's business decision. This is a subject to be addressed between the transportation providers and the transportation broker, and not for this forum.

The issue to be decided by this hearing officer is how many vehicles are required to meet the demand that is not currently being met for contract services to Logisticare.

Testimony from Bisson was clear. Although Bisson testified that Logisticare supports ten vehicles for this applicant, he indicated that Logisticare required four wheelchair accessible vehicles without hesitation. This need for wheelchair transportation is for the Hartford and surrounding areas. Bisson testified that he would work with his current providers to ensure that current calls are being met. No evidence was introduced on the record to show that the current companies, especially the ones in attendance at the hearing, unreliable or unwilling to assist where they are needed. Quite the opposite, he testified that two of the companies who appeared were able to assist where there were many calls resulting from a decrease in the usage of another provider. Bisson was clear that Logisticare's need is for wheelchair accessible vehicles.

The information provided by Logisticare on the second day of hearing including the call volume and transportation provider lists was not probative of the issue of public convenience and necessity and thus was afforded little weight.

While this hearing officer understands that Logisticare's goal is to have as many vehicles available as possible in the event they are needed, Connecticut General Statutes allows only a grant of the number of vehicles that will meet the need proven at hearing.

IV. ORDER

Based upon the totality of the evidence and the foregoing discussion, and pursuant to Connecticut General Statutes 13b-103, as amended, the application of Sky Transportation, LLC is granted, in part, and Livery Permit Number 3304, standing in the name of Sky Transportation, LLC, is hereby amended and reissued as follows:

LIVERY PERMIT NO. 3304
FOR THE OPERATION OF MOTOR VEHICLES IN LIVERY SERVICE

Sky Transportation, LLC is hereby permitted and authorized, in accordance with and under the provision of the General Statutes, as amended, to operate the following:

Three (3) motor vehicles with a seating capacity of less than ten (10) adults in general livery service from a headquarters in Plymouth.

The authority granted in this permit may not be sold or transferred until it has been operational, i.e. a vehicle registered with livery plates thereunder, for not less than twenty-four (24) consecutive months. If during the twenty-four (24) month period, the applicant enters into a contract for sale and transfer of any of the vehicles authorized, the

authority transferred into this permit will be revoked.

This permit shall remain in effect until it is amended, suspended or revoked by the Department. Failure of the permit holder to maintain proper insurance and/or comply with all pertinent motor vehicle laws and other State statutes and/or the rules, regulations and orders of the Department shall be considered sufficient cause to amend, suspend, or revoke this permit.

DURATIONAL LIVERY SERVICE
FOR THE PROVISION OF DURATIONAL TRANSPORTATION OF PASSENGERS FOR HIRE
BY VIRTUE OF A CONTRACT WITH LOGISTICARE SOLUTIONS, LLC
GRANTED IN DOCKET NO. 1307-GOV-303-L ON DECEMBER 16, 2013

Sky Transportation, LLC is hereby permitted and authorized to operate three (3) motor vehicles having a seating capacity of less than ten (10) adults for the provision of livery service under contract with Logisticare Solutions, LLC from a headquarters in Plymouth, Connecticut.

RESTRICTIONS:

Sky Transportation must insure and register all vehicles granted in this docket within forty-five (45) days from the date of this final decision. Any vehicles not insured and registered within said forty-five (45) day period will be revoked.

The authority granted in this Docket (No. 1307-GOV-303-L) shall be durational in nature and shall exist only for the period of time that the permit holder has a current and continuing contract in effect for the provision of service with Logisticare Solutions, LLC.

The permit holder shall notify the Department of any termination of its contract with Logisticare Solutions, LLC or the cessation of the active provision of service thereunder. The permit holder shall file with the Department on an annual basis, upon registration or re-registration of the motor vehicles authorized in this decision, a current, executed copy of the extension of said contract. Failure to file an extension of the contract or a new executed contract with Logisticare Solutions, LLC shall void the authority for the vehicle authorized pursuant to this contract.

This permit is not transferable and shall remain in effect until revoked by the Department or until the contract under which this authority is granted has expired. Failure of the permit holder to maintain proper insurance and/or comply with all pertinent motor vehicle laws and other State statutes and/or rules, regulations and orders of the Department shall be considered sufficient cause to amend, suspend or revoke said permit.

DURATIONAL LIVERY SERVICE
FOR THE PROVISION OF DURATIONAL TRANSPORTATION OF PASSENGERS FOR HIRE
BY VIRTUE OF A CONTRACT WITH LOGISTICARE SOLUTIONS, LLC
GRANTED IN DOCKET NO. 1402-AV-126-L ON OCTOBER 8, 2014

Sky Transportation, LLC is hereby permitted and authorized to operate four (4) motor vehicles, **only for wheelchair transportation**, having a seating capacity of less than ten (10) adults for the provision of livery service under contract with Logisticare Solutions, LLC from a headquarters in Plymouth, Connecticut.

RESTRICTIONS:

- 1. Sky Transportation must insure and register all vehicles granted in this docket within forty-five (45) days from the date of this final decision. Any vehicles not insured and registered within said forty-five (45) day period will be revoked.**
- 2. The vehicles authorized in this docket are restricted to wheelchair type vehicles only.**

The authority granted in this Docket (No. 1402-AV-126-L) shall be durational in nature and shall exist only for the period of time that the permit holder has a current and continuing contract in effect for the provision of service with Logisticare Solutions, LLC.

The permit holder shall notify the Department of any termination of its contract with Logisticare Solutions, LLC or the cessation of the active provision of service thereunder. The permit holder shall file with the Department on an annual basis, upon registration or re-registration of the motor vehicles authorized in this decision, a current, executed copy of the extension of said contract. Failure to file an extension of the contract or a new executed contract with Logisticare Solutions, LLC shall void the authority for the vehicle authorized pursuant to this contract.

This permit is not transferable and shall remain in effect until revoked by the Department or until the contract under which this authority is granted has expired. Failure of the permit holder to maintain proper insurance and/or comply with all pertinent motor vehicle laws and other State statutes and/or rules, regulations and orders of the Department shall be considered sufficient cause to amend, suspend or revoke said permit.

A memorandum of this permit shall be kept conspicuously posted in each motor vehicle operated hereunder.

Dated at Newington, Connecticut, this the 8th day of October 2014.

CONNECTICUT DEPARTMENT OF TRANSPORTATION

A handwritten signature in black ink, appearing to read 'L. Mandour', is written over a horizontal line.

Laila A. Mandour, Staff Attorney III
Administrative Law Unit
Bureau of Public Transportation