

STATE OF CONNECTICUT

DEPARTMENT OF TRANSPORTATION



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DOCKET NO. 1409-NGOV-151-L

APPLICATION OF NORWICH TRANSPORTATION, LLC TO RE: OPERATE THREE (3) MOTOR VEHICLES, HAVING A SEATING CAPACITY LESS THAN ELEVEN (11) ADULTS, 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 FRANKLIN, CONNECTICUT.

FINAL DECISION

January 9, 2015

I. INTRODUCTION

A. Application

By application filed on September 5, 2014 with the Department of Transportation (hereinafter "department"), pursuant to Section 13b-103(a)(3) of the Connecticut General Statutes, as amended, Norwich Transportation, LLC (hereinafter "applicant") located at 192 Route 32, Franklin, Connecticut seeks authorization to operate three (3) motor vehicles, having a seating capacity of less than eleven (11) adults, 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 Franklin.

B. Hearing

Pursuant to Connecticut General Statutes §13b-103(a)(3), as amended, a public hearing on this application was held on December 11, 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.

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

C. Appearances

Norwich Transportation, LLC appeared through its members, Samuel Hall and Matthew McKeever. The applicant's mailing address is 2 Route 32, Franklin, Connecticut 06254.

No opposition was filed to this application.

II. FINDINGS OF FACT

1. The applicant's members, Matthew McKeever and Samuel Hall, are currently employed as general manager and director of operations by Norwich Taxi. Between them, McKeever and Hall manage all aspects of the taxicab company, and also the contract transportation work that the taxicab company provides for Logisticare Solutions, LLC.

- 2. Logisticare Solutions, LLC (hereinafter "Logisticare" is a transportation broker that provides non-emergency medical transportation to Medicaid clients. Logisticare provides transportation within the State of Connecticut and to bordering towns in Rhode Island and Massachusetts, from which patients come to Connecticut for specialized medical care.
- 3. McKeever and Hall have several years of experience with Logisticare through Norwich Taxi. They have been able to provide good service to Logisticare through their management and direction of the Norwich Taxi taxicab fleet. McKeever and Hall became aware of the need for livery service under contract for Logisticare because of the work they do with Logisticare as dispatch managers for Norwich Taxi.
- 4. The applicant's business will not be related to the Norwich Taxi company, but for having a headquarters there. McKeever and Hall have the permission from their employers at Norwich Taxi to conduct this business while employed for Norwich Taxi.
- 5. None of the Norwich Taxi vehicles will be used for this business, or vice versa. The operation of the applicant is supported by the Norwich Taxi owners and will not interfere with the operation of the taxicab business.
- 6. While Logisticare uses Norwich Taxi and is happy with its service, Logisticare also needs livery vehicles to meet the non-emergency medical transportation calls in the Eastern region. The livery vehicles will provide transportation that the taxicab vehicles cannot provide because of the limitations of the taxicabs' ability to travel out of their territory.
- 7. Claude Bisson is the Transportation Manager for Logisticare. On behalf of Logisticare, he supports the grant of authority for three vehicles to meet the need that Logisticare has for transportation providers in the Eastern region of the State. There has been an increase in the Medicaid population because of the passage of the Affordable Care Act, and as a result, transportation needs have increased.
- 8. Logisticare is having challenges in finding livery transportation for the Eastern region because there are occasions when Logisticare does not have enough livery vehicles to meet the client demands. Where Logisticare cannot find transportation, they try to reschedule clients with Social Services, but this is not the best, or preferred, practice.
- 9. Logisticare sends a dispatch manifest on the day prior to the actual trip date and Hall and McKeever will be able to schedule their calls ahead of time.

- 10. The applicant has cash on hand in the amount of \$35,350 as of November 2014. The applicant owns three vehicles that it will use in its business.
- 11. The applicant's first six month of costs are as follow: The insurance for these vehicles is approximately \$21,300, annually, for a startup and six month cost of \$14,980; other costs and expenses for the startup and six month period include maintenance of \$800, mobile phone costs of \$720, property taxes of \$500, workers compensation costs of \$1,872.
- 12. The members have approximately 10 12 years of experience years in working with Logisticare and dispatching non-emergency medical transportation. They are familiar with the livery statutes, rules and regulations.
 - 13. The applicant's members have no criminal conviction history.
- 14. The applicant has some drivers ready and willing to drive for the company, but have not hired them because it is waiting for authorization to operate.
- 15. There is no contract in place because Logisticare will not execute a contract until the company has received its permit.
 - 16. No opposition was presented to this application.

III. <u>DISCUSSION</u>

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.

Samuel Hall and Matthew McKeever are members of the applicant company and seek to provide transportation under contract with Logisticare to provide non-emergency medical transportation. Hall and McKeever are familiar with Logisticare and its needs

from dispatching rides for Norwich Taxi for Logisticare. Hall and McKeever work for Norwich Taxi and have had experience in transportation for 10 to 12 years. They have made themselves familiar with the rules and regulations and statutes governing livery service. McKeever and Hall will work for Norwich Taxi and drive on a part-time basis for their company as well as have drivers for their company. McKeever and Hall have no criminal conviction history. No negative evidence was presented on the record to show they are not suitable to operate the proposed service.

Logisticare has faced challenges in getting enough transportation providers in the Eastern region of the State. The number of clients has increased since the passage of the Affordable Care Act. Claude Bisson, Transportation Manager for Logisticare, testified that, while Logisticare cannot guarantee the number of calls that a company will be given, the need for transportation for the Easter region that Logisticare services will provide at least rides that will equal approximately \$300 per vehicle. He spoke in support of the applicant and its members with whom Logisticare has had an exemplary working relationship.

In support of financial wherewithal, the applicant's members testified that they have purchased the vehicles that they will use. They owe no money on the vehicles, and they will have a headquarters at their current place of employment. The evidence presented shows the applicant has \$35,350 in the bank, it has no liabilities and its expenses include insurance at approximately \$21,300, annually, for a startup and six month cost of \$14,980; other costs and expenses for the startup and six month period include maintenance of \$800, mobile phone costs of \$720, property taxes of \$500, workers compensation costs of \$1,872 and gas costs of approximately \$6,000 for three vehicles. The total startup costs equal to approximately 25,000, leaving the applicant a surplus for other costs.

Lastly, in support of public convenience and necessity for a grant of authority under contract is the provision of a contract with the transportation broker. Bisson testified that Logisticare has a policy of executing a contract only with companies that have permit authority to provide livery transportation. However, Bisson testified that Logisticare has a need for livery vehicles to provide transportation to the Eastern region of the state. He has worked with Hall and McKeever and knows them to be very reliable have 95 percent on time performance. He believes that they can provide such service with a livery company and Logisticare has the rides to provide the applicant. Bisson testified that while he cannot guarantee a certain number of rides, currently, Logisticare can provide at least \$300 per day per car.

IV. CONCLUSIONS OF LAW

Based upon the evidence and the entire record, I conclude as a matter of law that the applicant possesses the suitability to operate the proposed service, the financial

Norwich Transportation, LLC Docket No. 1409-NGOV-151-L Page 5 of 7 wherewithal to operate the proposed service and that there is a need for the proposed service, based on the provision of an executed contract by and between Logisticare Solutions, LLC and the applicant, in accordance with Connecticut General Statutes Section 13b-103(a)(3).

V. ORDER

Based on the above, and pursuant to Connecticut General Statutes Section 13b-103, the application of Norwich Transportation, LLC is hereby granted and Norwich Transportation, LLC is hereby issued Permit No. 3464 as follows:

LIVERY PERMIT NO. 3464

FOR THE PROVISION OF DURATIONAL TRANSPORTATION OF PASSENGERS FOR HIRE BY VIRTUE OF A CONTRACT WITH LOGISTICARE SOLUTIONS, LLC GRANTED ON JANUARY 9, 2015 IN DOCKET NO. 1409-NGOV-151-L

RESTRICTIONS:

Norwich Transportation, LLC must submit an executed contract with Logisticare Solutions, LLC within thirty (30) days of the date of this Final Decision.

Norwich Transportation, LLC must also register and insure all of the motor vehicles authorized in this Final Decision within forty-five (45) days of the date of this Final Decision.

Failure to file the executed contract or register and insure all of the vehicles authorized herein will result in the revocation of the Permit herein authorized.

This Final decision constitutes Notice in accordance with Connecticut General Statutes Section 4-182(c).

Norwich Transportation, LLC is hereby permitted and authorized to operate three (3) motor vehicles, having a seating capacity of eleven (11) adults or less for the provision of livery service under contract with Logisticare Solutions, LLC. from a headquarters in Franklin, Connecticut.

The authority granted in this Docket No. 1409-NGOV-151-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 vehicle 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 vehicles authorized pursuant to said 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.

Dated at Newington, Connecticut, on this 9th day of January 2015.

CONNECTICUT DEPARTMENT OF TRANSPORTATION

Laila A. Mandour Staff Attorney III

Administrative Law Unit

Bureau of Finance and Administration