

STATE OF CONNECTICUT

DEPARTMENT OF TRANSPORTATION



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DOCKET NUMBER 1002-N-10-L

RE: APPLICATION OF CW RESOURCES, INC. TO OPERATE FOUR (4) MOTOR VEHICLES, HAVING A SEATING CAPACITY OF TEN (10) ADULTS OR LESS, FOR THE EXPRESS PURPOSE OF PROVIDING REASONABLE LIVERY SERVICE TO ELDERLY AND HANDICAPPED PERSONS, BETWEEN ALL POINTS IN CONNECTICUT FROM A HEADQUARTERS IN NEW BRITAIN.

FINAL DECISION

May 25, 2010

I. <u>INTRODUCTION</u>

A. General

By application filed on February 18, 2010 with the Department of Transportation (hereinafter "Department"), pursuant to Section 13b-105 of the Connecticut General Statutes, as amended, CW Resources, Inc. (hereinafter "applicant"), with a mailing address of 200 Myrtle Street, New Britain, Connecticut, seeks authorization to operate four (4) motor vehicles, having a seating capacity of ten (10) adults or less, for the express purpose of providing reasonable livery service to handicapped persons and elderly persons between all points in Connecticut from a headquarters in the town of New Britain.

B. Hearing Held

Pursuant to Connecticut General Statutes Section 13b-105, as amended, a public hearing on this application was held on May 11, 2010.

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 the Connecticut General Statutes Section 13b-105. Notice to the public was given by publication on the Departments website.

A hearing officer designated by the Commissioner, pursuant to Connecticut General Statutes Section 13b-17 conducted the hearing on this matter.

C. Appearances

Mr. William Green appeared on behalf of the applicant. The applicant was represented by Attorney Marc Needleman with a mailing address of 800 Cottage Grove Road, Suite 313, Bloomfield, Connecticut 06002-2343.

Sheldon Lubin, a member of Department staff, was present at the hearing.

II. FINDINGS OF FACT

- 1. The applicant is seeking to operate four (4) vehicles to service the elderly and handicapped with transportation. The applicant is a non profit corporation which provides a variety of services for the disabled and economically disadvantaged. The applicant also provides transportation to various programs.
- 2. In addition to performing private pay work, the applicant will also be working with Logisticare in governmental livery service.
- 3. The applicant's start up costs including the purchase four vehicles will be \$94,868. The fair market value for a 2008 Dodge Caravan is from \$15,773 to \$16,823.
 - 4. The annual insurance for each of the four vehicles is \$6,711.

- 5. For the fiscal year ending on June 30, 2010, the company estimates cash of \$2,000,000. The applicant has a line of credit of \$3,000,000 and an equipment line of credit of \$500,000.
- 6. An interim internally prepared financial statement as of March 31, 2010 showed current assets of \$9,034,044, current liabilities of \$2,584,189 and net working capital of \$6,449,855.
- 7. Mr. James McMellon, Director of Operations for Logisticare, testified that Logisticare can use the four vehicles that the applicant has applied for in livery service. Specifically, Logisticare has a need for wheelchair transportation in Waterbury and Bridgeport.
- 8. The applicant will operate one (1) wheelchair accessible van and three (1) livery vehicles for Logisticare.

III. DEPARTMENT ANALYSIS

The Department has jurisdiction over each person, association, limited liability company or corporation owning or operating a motor vehicle in livery service, pursuant to Connecticut General Statutes Section 13b-105, 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 Connecticut General Statutes Section 13b-105.

In support of financial wherewithal, the applicant provided financial information that shows that the start up costs including the purchase four vehicles will be \$94,868. The fair market value for a 2008 Dodge Caravan is from \$15,773 to \$16,823. The annual insurance for the four vehicles is \$6,711. For the fiscal year ending on June 30, 2010, the company estimates cash of \$2,000,000. The applicant has a line of credit of \$3,000,000 and an equipment line of credit of \$500,000. An interim internally prepared financial statement as of March 31, 2010 showed current assets of \$9,034,044, current liabilities of \$2,584,189 and net working capital of \$6,449,855. Based on the evidence presented, the applicant is financially suitable to operate the proposed business.

With regard to suitability, the applicant submitted several criminal record checks for the corporate officers which showed no criminal records. The applicant has been in business providing transportation for the disabled for years and thus has the experience necessary to provide this service. Based on the evidence presented, the applicant has proven the requisite suitability to operate the proposed service.

As part of the requirements that must be met for a livery permit to be granted, the applicant must show that public convenience would be improved by the service. The applicant presented the testimony of several witnesses including James McMellon of Logisticare who testified that his company alone could use the four vehicles that the applicant has requested authority for. The applicant also wants to be able to provide private pay transportation to any of its clients who would like this additional service. Based on the evidence presented, the applicant will be granted authority to operate four (4) motor vehicles for providing livery service to the elderly and handicapped.

IV. CONCLUSION AND ORDER

Based upon the above and pursuant to Connecticut General Statutes Section 13b-103, as amended, the application of C.W. Resources, LLC is hereby granted and Livery Permit Number 3242 is reissued as follows:

LIVERY PERMIT NO. 3242 FOR THE OPERATION OF LIVERY SERVICE

CW Resources, Inc. is hereby permitted and authorized to operate four (4) motor vehicles, each having a seating capacity of ten (10) adults or less, for the express purpose of providing reasonable livery service to **handicapped persons and elderly persons** on regular or irregular routes, between all points in Connecticut from a headquarters in New Britain.

The authority granted under this permit may not be sold or transferred until it has been operational, i.e. a vehicle registered with livery plates there under for not less than twenty-four (24) months.

This permit shall remain in effect until 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 may from time to time prescribe thereunder.

A memorandum of this permit, bearing the seal of the Department, shall be kept conspicuously posted in the motor vehicles operated under this permit.

Dated at Newington, Connecticut on this 25th day of May 2010.

CONNECTICUT DEPARTMENT OF TRANSPORTATION

Judith Almeida, Esq.

Staff Attorney III

Administrative Law Unit

Bureau of Finance and Administration