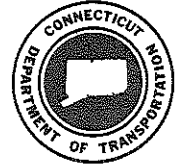


STATE OF CONNECTICUT
DEPARTMENT OF TRANSPORTATION



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NEWINGTON, CONNECTICUT 06131-7546

Phone:

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DOCKET NO. 0812-GOV-190-L

RE:

APPLICATION OF MED-X TRANSPORTATION, LLC TO OPERATE SIX (6) MOTOR VEHICLES, HAVING A SEATING CAPACITY 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 PLAINFIELD.

FINAL DECISION

July 22, 2009

I. INTRODUCTION

A. Application

By application filed on December 2, 2008 with the Department of Transportation (hereinafter "department"), pursuant to Section 13b-103(a)(3) of the Connecticut General Statutes, as amended, Med-X Transportation, LLC (hereinafter "applicant") located at 8 Pondview Drive, Prospect, Connecticut seeks authorization to operate six (6) 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 the town of Plainfield, Connecticut. The applicant's request, specifically, is for three vehicles to provide transportation to Logisticare, LLC and three vehicles to provide transportation for Coordinated Transportation Solutions.

B. Hearing

Pursuant to Connecticut General Statutes, Section 13b-103(a)(3), as amended, a public hearing on this application was held on June 9, 2009.

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), as amended. Notice to the public was given, electronically, by publication on the Department of Transportation website at www.ct.gov/dot.

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

C. Appearances

The Med-X Transportation, LLC appeared, without counsel, through Ralph Manzelli, a member of the company. Med-X Transportation, LLC's mailing address is 8 Pondview Drive, Prospect, Connecticut.

Sheldon Lubin, public utilities examiner with the Regulatory and Compliance Unit of the department, was present at the hearing.

No opposition was presented to the application.

D. Administrative Notice

There was confusion regarding the applicant's livery permit and the authority contained therein. The records of the department reflect discrepancies with regard to the number of vehicles authorized under livery permit number 3206 standing in the name of Med-X Transportation, LLC. Accordingly, history of the permit is included as follows:

March 27, 2008 - Docket No. 0704-NGOV-95-L - Final Decision

- 6 motor vehicles under contract with Logisticare-HQ Brooklyn

April 3, 2008 - Docket No. 0704-NGOV-95-L - Corrected Copy – Final Decision

- 6 motor vehicles under contract with Logisticare –HQ Brooklyn

- 2 motor vehicles under contract with Coordinated Transportation Solutions (CTS) – HQ Brooklyn

April 14, 2008 - Docket No. 0803-PS-47-L – Decision

Med-X Transportation, LLC purchased the authority for 2 motor vehicles for work under contract with Logisticare, for a total of 8 motor vehicles under contract with Logisticare and 2 motor vehicles for the transportation of handicapped and elderly persons from a headquarters in Brooklyn.

(This version of Permit No. 3206 failed to include the authority for 2 vehicles for contract work with CTS, which was part of the Med-X's first application, but includes the two vehicles for the transportation of elderly and handicapped persons and the two vehicles under contract with Logisticare.)

The correct language of the Permit should reflect the following authority:

- 8 motor vehicles under contract with Logisticare –HQ Brooklyn

- 2 motor vehicles under contract with Coordinated Transportation Solutions (CTS) – HQ Brooklyn

- 2 motor vehicles for transportation for handicapped and elderly transportation

August 1, 2008 Docket No. 0807-TH-118-L – Decision

-transfer of headquarters from Brooklyn to Plainfield -12 motor vehicles under contract from a HQ in Plainfield.

- 6 motor vehicles per contract with Logisticare

- 2 motor vehicles per contract with CTS

(This version of Permit No. 3206 omits the two vehicles for elderly and handicapped transportation and two vehicles for Logisticare that were purchased in Docket No. 0803-PS-47-L .)

The correct language of the Permit as it stood on August 1, 2008 should reflect the following authority:

- Eight (8) motor vehicles under contract with Logisticare – from a headquarters in Plainfield;

- Two (2) motor vehicles under contract with Coordinated Transportation Solutions (CTS) – from a headquarters in Plainfield and

- Two (2) motor vehicles for transportation for handicapped and elderly transportation from a headquarters in Plainfield.

As of August 1, 2008, the correct language for Permit No. 3206, standing in the name of Med-X Transportation, LLC is as follows:

- Two (2) motor vehicles for the transportation of the elderly and handicapped persons
- Eight (8) motor vehicles under contract with Logisticare
- Two (2) motor vehicles under contract with CTS

On May 7, 2009 Med-X Transportation, LLC made application for additional vehicles without hearing. That application was granted the applicant received authority to operate two additional vehicles for the express purpose of providing transportation for elderly and handicapped persons, amending the August 1, 2008 permit to reflect the following authority from a headquarters in Plainfield:

- Four (4) motor vehicles for the transportation of elderly and handicapped persons;
- Eight (8) motor vehicles under contract with Logisticare
- Two (2) motor vehicles under contract with CTS

II. FINDINGS OF FACT

1. The applicant currently operates pursuant to livery permit number 3206 and in addition to the authority to provide transportation to the elderly and handicapped, the applicant is authorized to operate eight motor vehicles under contract with Logisticare, LLC and two motor vehicles under contract with Coordinated Transportation Solutions.

2. The members of the applicant's management, Ralph Manzelli, Hugh Viele and Angelia Viele have no criminal conviction record.

3. Claude Bisson is the transportation manager for Logisticare, LLC and has been so employed for two and a half years. Bisson was assistant transportation coordinator for Logisticare, LLC for ten years prior to becoming the transportation manager.

4. Logisticare, LLC uses approximately 42 transportation providers throughout the State of Connecticut and they primarily serve the eastern portion of the State and throughout four of the five transportation regions in Connecticut.

5. The applicant is a party to a continuing contract with Coordinated Transportation Solutions (CTS) dated June 2007 and with Logisticare, LLC dated June 2007.

6. Logisticare, LLC provides transportation to customers in remote areas of the eastern portion of the State of Connecticut, from as far north as the Massachusetts border to as far south as New London, Connecticut.

7. There is a growing need for wheelchair transportation through the eastern Region of the state. The applicant will use a mix of wheelchair accessible vans and regular Sedans.

8. Logisticare provides transportation for the Department of Social Services for four of the five regions in Connecticut.

9. The population in Connecticut is getting older and more such members of the public are using less public transportation due to their declining health and the use of wheelchairs.

10. Due to the capitated rate that Logisticare, LLC pays its transportation providers, Logisticare, LLC requires additional vehicles because sometimes it has to send its operators out of their smaller operating areas, so that taking a provider out of the region creates a shortage with vehicles and Logisticare, LLC therefore, must increase its vehicles to provide for local traffic.

11. The contracts are updated as needed, mostly with regard to change of rates, which does not happen often. It is the policy of Logisticare, LLC to notify the Department of Transportation if a transportation provider's contract is terminated.

12. Logisticare, LLC has contract with United, Americhoice and Aetna, and provide their transportation across the state for which they use the applicant's services.

13. The vehicles operated by the applicant are combination of wheelchair and sedan vehicles. Logisticare, LLC has a need for wheelchair and ambulatory vehicles.

14. Connecticut Transportation Solutions has taken over some of the Blue Cross work, the majority of which is ambulatory work.

15. CTS also provides service for suburban/rural eastern Connecticut.

16. During the business day, companies pass trips back to the transportation brokers (Logisticare, LLC and CTS) on a daily basis based on several reasons, thereby requiring the transportation brokers to request same day trips from other of their transportation providers, thereby increasing their need for additional vehicles.

17. As of June 2009 the applicant had cash on hand in the amount of approximately \$72,000. Accounts receivable are less than one month old and in the amount of \$62,800, \$59,500 of which is due from CTS and Logisticare. The accounts payable are in the amount of \$35,000 for two credit cards.

18. The applicant's insurance coverage has a premium of \$20,000, which is paid over time. The applicant's income statement for 2008 shows that the total revenue received was \$796,125 and its net profit was \$91,038.

III. DISCUSSION

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.

In support of financial wherewithal, the applicant provided proof of cash balance and an income statement for 2008, which shows that the company possesses assets and cash on hand to operate the proposed service and therefore possesses the financial wherewithal to operate the proposed service.

In support of suitability, the applicant has been in operation for several years and its management has successfully operated the company so as to meet the demands of the transportation brokers who work with the Department of Social Services to provide transportation for people who are in need of such. The management members of the company have no criminal convictions and have not incurred any citations since the inception of the business. Accordingly, the applicant's management possesses the suitability and wherewithal to operate the proposed business within the regulatory scheme.

Lastly, in support of public convenience and necessity, the applicant provided evidence showing that the transportation brokers, with which the applicant is currently under contract, require access to additional vehicles to meet the demand that the brokers have for transportation for their clients. While the transportation brokers have not acquired additional insurance companies to service, several of the existing companies have shifted their business resulting in different needs for transportation; as an example, more wheelchair vehicles are required to meet the need of our aging population, who are now requiring managed transportation due to their inability to take public transportation.

In addition to the above, the transportation brokers require additional vehicles to accommodate pass back calls, which are calls that are sent back to the brokers because they are unable to be handled by the currently operating companies. These calls come at the end of the day, when the current fleet of vehicles is already dispatched. These calls create a need for additional vehicles to provide transportation to members of the general public through the contract transportation brokers.

IV. CONCLUSIONS OF LAW

Based upon the evidence of record and pursuant to Connecticut General Statutes Section 13b-103(a)(3)(B), as amended, the hearing officer concludes that the applicant possesses the financial wherewithal and the suitability to operate the proposed service and that the proposed service will improve the public's convenience and necessity.

V. ORDER

The application of Med-X Transportation, LLC is hereby granted and Permit Number 3206, standing in the name of Med-X Transportation, LLC is hereby amended and reissued as follows:

LIVERY PERMIT NO. 3206

Med-X Transportation, LLC is hereby permitted and authorized to operate FOUR (4) motor vehicles, having a seating capacity of less than ten (10) adults, for the express purpose of providing reasonable livery service to handicapped persons and elderly persons on regular or irregular routes from a headquarters in Plainfield, Connecticut.

DURATIONAL TRANSPORTATION OF PASSENGERS FOR HIRE BY VIRTUE OF A CONTRACT WITH, OR A LOWER TIER CONTRACT FOR, ANY FEDERAL, STATE OR MUNICIPAL AGENCY.

1. COORDINATED TRANSPORTATION SOLUTIONS

Med-X Transportation, LLC is hereby permitted and authorized to operate FIVE (5) motor vehicles, having a seating capacity of less than ten (10) adults, for the transportation of passengers for hire by virtue of a contract with Coordinated Transportation Solutions from a headquarters in Plainfield, Connecticut.

The authority granted pursuant to the contract with Coordinated Transportation Solutions shall be 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 Coordinated Transportation Solutions.

The permit holder shall notify the Department of the termination or revision of its contract with Coordinated Transportation Solutions or the cessation of any 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 of the permit holder to file an extension of the contract or a new executed contract with Coordinated Transportation Solutions 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.

2. LOGISTICARE, LLC

Med-X Transportation, LLC is hereby permitted and authorized to operate ELEVEN (11) motor vehicles, having a seating capacity of less than ten (10) adults, for the transportation of passengers for hire by virtue of a contract with Logisticare, LLC from a headquarters in Plainfield, Connecticut.

The authority granted pursuant to the contract with Logisticare, LLC shall be 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, LLC.

The permit holder shall notify the Department of the termination or revision of its contract with Logisticare, LLC or the cessation of any 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 of the permit holder to file an extension of the contract or a new executed contract with Logisticare, 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, this 22nd of July 2009.

CONNECTICUT DEPARTMENT OF TRANSPORTATION



Laila A. Mandour
Staff Attorney III
Administrative Law Unit
Bureau of Finance and Administration