



## State of Connecticut

### HOUSE OF REPRESENTATIVES STATE CAPITOL

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**RANKING MEMBER**  
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**MEMBER**  
ENERGY AND TECHNOLOGY COMMITTEE  
LABOR AND PUBLIC EMPLOYEES COMMITTEE

Good morning Senator Maynard, Representative Guerrero, Representative Scribner and Senator Boucher,

I am State Representative Sean Williams, and I am here to testify in support of House Bill 6031, AN ACT CONCERNING THE OPERATION OF A MOTOR BUS, TAXICAB, MOTOR VEHICLE IN LIVERY SERVICE OR MOTOR VEHICLE IN THE TRANSPORTATION OF HOUSEHOLD GOODS, with certain changes.

My interest in this issue was piqued when I read the attached story in the New London Day regarding the Department of Transportation's rejection of Coutu Brothers Movers' application to do business in Connecticut. In a nutshell, DOT rejected Coutu Brothers' application under their statutorily required "Certificate of Public Necessity and Convenience" process. As part of this process, DOT takes into account a variety of considerations as to whether to grant such applications including the financial stability of the company, any prior criminal history, any possible safety issues which could arise from the granting of the application and the possible impact that said business may have on our state's highways. In their decision, DOT acknowledged that Coutu Brothers met or exceeded each of these requirements.

Two additional factors were taken into consideration, however, which caused DOT to reject the application. First, as part of this process DOT allowed competing moving companies the opportunity to testify as to what the impact of the addition of Coutu Brothers into the Connecticut marketplace would have on their businesses. Based on these competitors' testimony DOT wrote in their decision: "Clearly the addition of another moving company would have a further negative effect on these two operators." Secondly, as part of this process, applicants must prove that there is "public need and convenience for the proposed service." Because only one person testified on Coutu Brothers behalf in this regard, DOT ruled that they did not meet the threshold of public need and convenience.

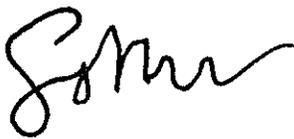
I'd like to believe that the free market will determine whether or not there is a need for a particular service, not state government. Unfortunately that was not the case here. Bob Romano, the owner of

Coutu Brothers, spent \$6,000 doing what any other business owner would have done in an effort to open up shop in Connecticut and begin contributing to our economy, and because he couldn't prove to his state government that there was enough customers for he and his competitors and because his competitors said more competition would hurt them, his application was rejected. The law which caused this to happen has been on the books for many years, pre-dating most Governor Malloy and most if not every member of this committee. It strikes me that most people in state government were not even aware of such a law until the Coutu Brothers decision was issued. It's not really anyone's fault that this happened because the law is the law, but if Connecticut is truly open for business, we should let competitors compete and consumers enjoy the benefits of lower prices and better service.

To that end, I support this bill with substantial changes. In speaking with the motorbus and taxicab industries, I now do not believe that the entire process for issuing Certificates of Public Necessity and Convenience" should be completely abandoned. There are some valid arguments why taxicab and motorbus industries should remain regulated in the fashion which they are today. And in speaking with the Motor Transport Association of Connecticut, it does appear that there are many bad actors in the transportation of household goods industry who need to be regulated. Safety, financial ability, past criminal history and effect on our highway system should absolutely continue to be considered as part of this application process for household goods carriers. What should not be considered is how the introduction of competition will affect competitors and whether or not there is a need for such a service. Consumers vote with their wallets and the private market can, should and does regulate the ability of a competitive company to succeed.

I would respectfully respect that you pass this bill by changing the scope to the very narrow focus which I have described. Bob Romano took the expansion of his business to our neighbors in Massachusetts, but hopefully we can take one small step to ensure that this does not happen to the next Bob Romano who decides to make an investment in Connecticut's economy.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Williams", written in a cursive style.

Representative Sean Williams

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Article published Dec 11, 2012

## Stymied by state, moving company moves on

By [Lee Howard](#) Day Staff Writer

**Bid to open branch in North Stonington dropped by firm's Rhode Island owner**

A Rhode Island moving-company owner whose application to do business in Connecticut was denied earlier this year by the state Department of Transportation said Monday he has decided to expand farther into Massachusetts instead of opening a branch in North Stonington.

Bob Romano, owner of Warwick, R.I.-based Coutu Bros. Movers, said bureaucratic snafus, additional paperwork requirements and the attitude of DOT staff members finally sealed his decision to pull out of a hearing scheduled in January to have his original application reconsidered.

"It was strictly a business decision," Romano said in a phone interview. "I was not going through all that crap again."

A DOT hearing officer denied Romano's first application to do in-state business in Connecticut last spring, citing a possible "further negative effect" on other moving businesses in the region and saying that the Rhode Island company had not proven the need for another moving business based on "public convenience and necessity."

The DOT decision in May created a backlash among free-enterprise advocates, with Tony Sheridan, chief executive of the Chamber of Commerce of Eastern Connecticut, among those promising to attend the next hearing to support Romano's application. Several local officials, including former Republican state Sen. Pierce Connair, a Mystic real estate agent who had been prepared to lease office space in North Stonington to Coutu Movers, pointed out that the DOT decision seemed at odds with Gov. Dannel P. Malloy's oft-stated promise that "Connecticut is open for business."

"We've got so many regulations we're putting ourselves out of business," Connair said Monday in a voicemail message. "I think it's a tragedy .... It's un-American."

But DOT spokesman Judd Everhart said trying to paint the agency's decision as anti-business was a canard.

"The original denial was based on existing requirements, i.e., that the applicant must demonstrate that there is a need for additional household goods moving services in a specific geographical area of the state," Everhart said in an email. "It had nothing to do with Connecticut not being 'open for business' as the applicant claimed in the past."

Romano's original application had been opposed by two competitors, Atherton & Sons Moving & Storage in Pawcatuck and Barnes Moving & Storage in Mystic, whose owners

cited a decline in their own businesses over the past few years. One of the businesses was planning to fight Romano's application again, but the DOT could not provide the information on which one had been intending to appear at a hearing in January.

Romano said he spent more \$6,000 to comply with DOT requirements and was shocked to learn that his initial application was denied by Connecticut hearing officer Sheldon Lubin, whereas Massachusetts approved his application for a license to do business in only 15 minutes.

"It's a shame that free enterprise is not allowed to flourish in Connecticut," Romano said. "Massachusetts actually welcomed me and reached out to me to expand my operation there."

Romano said he spent \$177 to reapply for a license to do business in Connecticut, and was at first heartened by the response at DOT. But things went down from there, he said, when the agency soon after told him that it had lost all the paperwork he had sent by certified mail (still managing to cash the check that was sent in the same mailing), then insisting on updated financials (because the DOT lost his packet of information) and then requesting other paperwork that had not been an issue in his initial filing.

"They were trying to upset you with every phone call," Romano said. "Dealing with that agency - I couldn't get over that fact."

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DEPARTMENT OF TRANSPORTATION



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DOCKET NO. 1201-N-4-HG

RE: APPLICATION OF JMR HOLDINGS, INC. D.B.A. COUTU BROS.  
MOVERS TO OPERATE MOTOR VEHICLES IN THE  
TRANSPORTATION OF HOUSEHOLD GOODS FOR HIRE, AS A  
HOUSEHOLD GOODS CARRIER, OVER IRREGULAR ROUTES  
BETWEEN ALL POINTS IN CONNECTICUT UPON CALLS  
RECEIVED FROM A HEADQUARTERS IN NORTH STONINGTON.

FINAL DECISION

May 4, 2012

## I. INTRODUCTION

### A. Applicant's Proposal

By application filed on January 13, 2012, pursuant to Section 13b-389 of the Connecticut General Statutes, and assigned Docket No. 1201-N-4-HG, JMR Holdings, Inc. d.b.a. Coutu Bros. Movers (hereinafter "applicant"), with a mailing address of 82 Norwich-Westerly Road, Building B, North Stonington, Connecticut 06359 seeks authorization from the Connecticut Department of Transportation (hereinafter "department") to operate motor vehicles in the transportation of household goods for hire, as a household goods carrier, over irregular routes between all points in Connecticut from a headquarters in North Stonington.

### B. Hearing Held

Pursuant to Connecticut General Statutes Section 13b-390, a hearing on this application was held at the administrative office of the Department, in Newington, Connecticut, on May 1, 2012.

Notice of the application and of the hearing to be held thereon was given to the applicant and to other parties as required by Connecticut General Statutes Section 13b-390. Notice to the public was given by publication on the department's website.

The matter was heard by a hearing officer designated by the Commissioner of Transportation pursuant to Connecticut General Statutes Section 13b-17.

### C. Appearances

Robert Romano appeared pro se on behalf of the applicant. The applicant's mailing address is 133 Central Street, Warwick, RI 02886.

Charles Rohde appeared pro se on behalf of Atherton & Sons Moving and Storage and was granted intervener status. Mr. Rohde's mailing address is 76 Voluntown Road, Pawcatuck, CT 06379.

## II. FINDINGS OF FACT

1. The applicant seeks authorization to transport household goods from a headquarters in North Stonington.

2. The applicant has extensive business experience in the moving business including owning a company which is licensed in both Rhode Island and Massachusetts which has been performing moving services since 2000.

3. The applicant seeks to perform intrastate Connecticut moves because it receives five to twelve calls for service monthly for such work.

4. Jerilyn Difilippo, the applicant's step-daughter, who has experience operating the Rhode Island office will be the office manager of the Stonington operation.

5. The applicant will be utilizing a 2006 International truck in the Connecticut operation.

6. The applicant's Warwick headquarters is approximately 30 minutes away from the Connecticut border.

7. The applicant's expenses include office lease of \$600 per month plus \$340 in utilities, insurance of \$3,673, fuel of \$1,600 per month, repairs and maintenance of \$400 per month, vehicle property tax of \$1,500 per year, vehicle loans of \$1208 per month and office payroll of \$4,600 per month.

8. The applicant anticipates revenue of \$150,000 from the Connecticut operation.

9. The applicant's business checking account has a balance of \$22,000 as of the date of the hearing.

10. The applicant produced one witness, Pierre Connair, their landlord at the office park in North Stonington, who testified in support of the application.

11. Two companies, Atherton & Sons in Pawcatuck and Barns Moving and Storage in Mystic appeared in opposition to the application although only Atherton applied for intervenor status in this matter.

12. Dean Depietro from Barns Moving and Storage and Charles Rohde from Atherton testified that the moving business is in the decline and that the addition of another moving company to the area would negatively impact their businesses.

### III. DEPARTMENT ANALYSIS AND CONCLUSIONS OF LAW

The Department of Transportation has jurisdiction over any person operating any motor vehicle in the transportation of household goods for hire as a household goods carrier pursuant to Section 13b-389 of the Connecticut General Statutes. Further, no person shall operate as a household goods carrier, within Connecticut, without first obtaining a certificate of public convenience and necessity to so operate.

In determining whether such a certificate shall be granted, the Commissioner of Transportation shall take into consideration the existing motor transportation facilities and the effect upon them of granting such a certificate, the public need for the proposed service, the

suitability of the applicant, the financial responsibility of the applicant, the ability of the applicant efficiently to perform the service for which the authority is requested, the condition of and effect upon the highways involved and the safety of the public using such highways pursuant to Section 13b-392 of the Connecticut General Statutes.

The first factor to be taken into account is the effect on the existing motor carrier facilities by granting the certificate. This application was opposed by two existing motor carriers who both stated their business is down at least thirty to forty percent since the housing market started declining in 2007. There was also testimony on the number of moving companies that are currently out of business in the region. Clearly, the addition of another moving company would have a further negative effect on these two operators.

The next criterion that the applicant must prove is public convenience and necessity for the proposed service. The applicant presented the testimony of one witnesses in support if its application. Pierce Connair spoke highly of the applicant but had no direct knowledge of the work performed by the moving companies in the local area and whether there is the need for another one. Unfortunately, the applicant has failed to carry the burden on the public convenience issue.

As far as the applicant's financial ability is concerned the applicant presented evidence that the applicant's expenses include office lease of \$600 per month plus \$340 in utilities, insurance of \$3,673, fuel of \$1,600 per month, repairs and maintenance of \$400 per month, vehicle property tax of \$1,500 per year, vehicle loans of \$1208 and office payroll of \$4,600 per month.

The applicant anticipates revenue of \$150,000 from the Connecticut operation. The applicant's business checking account has a balance of \$22,000 as of the date of the hearing. Based on the evidence presented, the applicant has shown the required financial suitability to be granted this authority.

The applicant will be using one 2006 International box truck in the moving business in Connecticut. This one vehicle will not have any negative effect on the highways of Connecticut.

The applicant submitted a criminal record check which shows no criminal convictions. The applicant has extensive experience in the moving industry and has owned a moving company in Rhode Island for years. The applicant is suitable to operate the proposed service.

As far as the applicant's ability to provide efficient moving services is concerned, the applicant had been providing moving services for years with his Rhode Island operation. There are no safety issues which threaten the public if the applicant provides moving services in Connecticut.

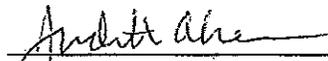
Based upon the evidence presented, the applicant has failed to prove all of the necessary elements to be granted a certificate. The applicant has not proven public convenience and necessity and must be therefore be denied.

IV. ORDER

Based upon the above and pursuant to Section 13b-391 of the Connecticut General Statutes, the application of JMR Holdings, Inc. d.b.a. Coutu Brothers Movers is hereby denied.

Dated at Newington, Connecticut on this 4<sup>th</sup> day of May 2012.

CONNECTICUT DEPARTMENT OF TRANSPORTATION



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Judith Almeida  
Staff Attorney III  
Administrative Law Unit  
Bureau of Finance and Administration

