

## **Greg Fulton**

*Colorado Motor Carriers Association*

September 8th Comment

### **Topic:** Third Party Transport

My name is Greg Fulton and I am the President of the Colorado Motor Carriers Association. We represent over 600 companies directly involved or affiliated with trucking in Colorado. Many of our companies are delivery transporters and several transport wine products from wineries both within Colorado as well as outside of our state to customers as permitted under state law.

On our part neither we nor any of our delivery companies which are viewed as third party delivery contractors by the LAG are on the board nor has our input been sought.

In regard to this matter we were surprised that there were ongoing discussions related to direct to consumer deliveries by third party transporters with none of those transporters at the table nor asked to provide input or their thoughts on this matter. Realizing that these companies are the ones providing the actual service today, it would seem logical and appropriate to have their involvement and input when discussing this matter. These companies provide services in other states and they could provide insights and thoughts as to what processes and systems work well in other states and whether some of those protocols could enhance the program in Colorado.

Recently it appears that discussions on this issue occurred at the August 17th Marketplace Structure Committee meeting. I listened to that tape and was surprised to hear concerns expressed by some of the committee as to problems with third party transporters in regard to safe delivery of wine products to the appropriate person of legal age. I also saw a letter on the website a letter submitted by one member of the LAG, Jim Shpall of Argonaut Liquor, where he was critical of a third party transporter because he alleged that in numerous cases the transporter dropped the wine delivery off at the door without having a person sign for the product and provide proof of legal age. On our part we were not aware of such problems nor does it appear our members were. We would ask that the State provide us with the data and information related to these incidents so that our carrier can conduct follow-up and correct any problems. Further, we would ask how the State is collecting this information today.

Please note that while there appears to be a great deal of focus on third-party transporters, who only can deliver wine from wineries within and outside Colorado, which is a small percentage of overall alcohol deliveries, there appears to have been little or no discussion related to deliveries by drivers who are employees of liquor stores/distributors. Is there any information related to those companies as to failures to comply with state law? Is the State tracking and collecting information on this area which makes up the greatest percentage of alcohol deliveries?

As to third party transporters, such as UPS and FedEx, their sole business is transport and delivery of products. It is not an ancillary activity such as delivery may be for many of the liquor stores and

distributors. In many cases with some liquor stores due to limited staff, they may look to have a clerk or someone else in the business, or whoever has time, make deliveries.

Both UPS and FedEx transport many regulated products today including prescription drugs so the drivers and personnel receive special training on the handling and delivery of these products to ensure compliance with state and federal laws. These drivers are professionals and their livelihood depends upon maintaining a good driving record. For the purposes of safety, UPS and FedEx conduct background checks on prospective drivers as well as subjecting drivers to ongoing drug and alcohol testing. Those actions support safe transport and delivery of alcohol products and we would encourage liquor stores and distributors using their own vehicles to take similar actions with their drivers.

I would note that a further concern of ours was the suggestion by some in the Marketplace Committee of substantial penalties being applied on the transporter. Our companies wish to comply with the law but they are not privy in all cases to the products in a package to be shipped. We are only aware of it if the shipper declares it. While it may seem easy to say that our companies would know based on the address that this might be a wine club. There may be multiple businesses at a site and even a group like a wine club may ship and receive non-alcohol products. On our part an additional or higher penalty may be appropriate if the 3rd Party transporter knowingly transported alcohol products to a consumer that is underage or an alcohol product, other than wine.

On our part we would ask that prior to any action on any recommendation or proposed actions going forward on the matter of delivery to consumer that our transporters have an opportunity to share their thoughts and views. We believe that this could only enhance this discussion and also allow for solutions that may work better for all parties. Our members and transporters share the same goals as the State in seeking to ensure safe and efficient transport and delivery of these products. We can't do this if we are not part of the discussion.

We would welcome the opportunity to discuss the direct to consumer matter with the LAG.

Thank you for the opportunity to comment.

Greg Fulton  
President  
Colorado Motor Carriers Association