



January 10, 2019

Ms. Melissa Schmidt  
Wisconsin Legislative Council  
One East Main Street  
Suite 401  
Madison, WI 53703-3382

**RE: Federal Express Corporation and FedEx Ground Package System, Inc.  
Study Committee on Alcohol Beverages Enforcement**

Dear Ms. Schmidt:

It is my understanding you and Bill Primeaux (FedEx Corporation) spoke on December 3, 2018, regarding the above-mentioned subject matter; as a result, I want to follow-up via written correspondence. Please see the comments provided by Federal Express Corporation ("FedEx Express") and FedEx Ground Package System, Inc. ("FedEx Ground") (collectively, and with their parent company FedEx Corporation, "FedEx") regarding the carrier reporting requirement recommendations that the Wisconsin Legislative Council Study Committee on Alcohol Beverages Enforcement ("Committee") spoke to at its November 28, 2018, meeting. As FedEx was not contacted prior to that committee meeting, we felt it was important to document our concerns with two of the requirements that are advancing in the bill to the Joint Legislative Committee. While we did speak it was only after the November meeting. It was noted at the November 28th meeting that United Parcel Service (UPS) had expressed similar concerns about these requirements to members of the Committee.

SECTION 2., 125.20, currently contains a reporting requirement on "any common carrier that transports into and delivers within this state any alcohol beverages." It states that the carrier reports should contain the following information for each shipment of alcohol beverages during the preceding month:

- (a) The name and address of the person that manufactured or rectified the alcohol beverages.
- (b) The name and address of the consignor of the shipment, if different from the person that manufactured or rectified the alcohol beverages.
- (c) The name and address of the consignee of the shipment.
- (d) The date of the shipment.
- (e) The type and quantity of alcohol beverages shipped to the consignee.

Small package delivery carriers are able to report (b) – (d) above with a reasonable degree of accuracy based upon information provided by the customer that tenders the package to the carrier. However, carriers cannot provide the information requested in (a) or (e) as they do not have that type of information in its possession.

Carriers pickup and deliver pre-packaged, pre-labeled boxes of alcohol from approved alcohol shippers. While carriers are able to discern that the package contains alcohol based upon shipping data provided by the shipper and contained in the barcode, they cannot accurately report whether the name and address of the consignor is different from the person that manufactured or rectified the alcohol beverages. Additionally, carriers cannot accurately report the type and quantity of wine being shipped. This is because carriers do not know the type of alcohol that is in the box or the size of the receptacle containing the alcohol (e.g. 325 ml, 750 ml, 1.5 L, etc.). However, FedEx's terms and conditions note that alcohol shippers may not ship spirits or beers to consumers; only wine can be shipped directly to a consumer.

We, therefore, recommend that (a) be removed from the Committee's recommendation in its entirety. We are not aware of any other state requiring this information. Additionally, we recommend that the type and quantity requirements ((e) above) also be stricken from the recommendation entirely. Alternatively, for (e), we recommend that the word "type" be deleted from subsection (e) and the word "estimate" be added before the word quantity in subsection (e). FedEx can extrapolate the volume based on the weight of the package and can estimate the quantity based on an assumption that there are 750ml bottles of wine in the package. This would allow for Wisconsin to fulfill its enforcement goals, while not requiring carriers to report inaccurate information. FedEx would also be happy to report the weight of the package delivered.

To help assist in your enforcement goals, we are recommending that you add the tracking number to the requirements for the carrier reporting. Many states have done this and have commented that this has helped with compliance efforts when combined with a requirement that licensed shippers also report tracking numbers. Additionally, the information that you are requesting the carrier to report is information that the shipper could easily and accurately provide directly to Wisconsin.

In summary, FedEx, recommends that two of the proposed carrier reporting requirements, specifically manufacturer and type and quantity, be eliminated from your proposed recommendation. However, as an alternative, FedEx could estimate the quantity based upon the weight of the package (assuming 750 ml bottles of wine in the package) and, therefore, recommends that the word "type" be eliminated and the word "estimate" be added before quantity in subsection (e). FedEx also could report the weight. Additionally, it is recommended to add the tracking number for each alcohol shipment. We believe these modifications would allow Carriers to continue delivering alcohol shipments into Wisconsin while allowing your office to better enforce its compliance goals.

Sincerely,

**FEDEX CORPORATION**



A.J. Sain

Vice President, Government Affairs