



April 28, 2019

RE: SB 239 Concerns

Representative Chris Hansen
200 E Colfax
Denver, CO 80203

Representative Matt Gray
200 E Colfax
Denver, CO 80203

Dear Representative Hansen and Representative Gray,

My name is Jenyce Houg and I am the current chairperson of the Colorado Freight Advisory Council (FAC). On my part and on behalf of several other members of the FAC, I wanted to express concern over SB 239 that is being considered by the Legislature.

The Colorado Freight Advisory Council (FAC) advises CDOT and other organizations on the needs of the transportation system in Colorado pertaining to freight. The FAC provides guidance on policy and planning level activities and identifies strategies and tactics to address operational needs of the system. The FAC has individuals on the committee and overall working group from the appropriate federal, state, MPOs and local agencies who are engaged in freight matters. It has freight transporters from every segment as well as the shippers who depend upon the freight community. It also includes law enforcement and safety professionals responsible for the oversight of these areas as well as academia engaged in study and research of these matters. Finally, the group has individuals on the committee working in the emerging technologies for freight as part of this group.

In looking at SB 239 it appears that the bill is focused primarily on rideshare applications such as Transportation Network Companies (TNCs), peer-to-peer rideshare services, and taxicab services. With the advent of Uber and Lyft and some of the others services in this sector, this is a dynamic and changing area. While that appears to be the focus, the current version of the bill also includes the language, "and a motor vehicle that is used for residential delivery of goods". That last line acts to incorporate freight activities and providers into a bill which appears to be looking at passenger modes.

We question having the residential delivery segment, including goods and products, or for that matter any freight-related activities in this study for two reasons.

First, with the exception that residential delivery services and rideshare applications operate vehicles, there is little commonality between the two. TNCs, peer to peer services, taxis, and rental car services, transport people with incidental transport of packages. On the other hand residential delivery companies and home delivery services exclusively deliver products and do NOT transport people. Second, a group already exists and has been charged with addressing the issue of the last mile in the freight sector and that is the FAC. That group is very familiar with the last mile issue and it is a priority of the group and certain actions on the issue have already begun. Our members recognize the changing environment from a business perspective and certain activities toward looking at solutions have already

begun. Based on the expertise, knowledge, and experience of the wide crosssection of participants in the FAC, they are well suited to address the last mile issue related to all freight.

As noted there are substantial differences between ridesharing and delivery services. The operations are overseen by different state and federal agencies (the passenger models by the PUC, while the Colorado State Patrol and Federal Motor Carrier Safety Administration (FMCSA) oversee freight operators). They have different safety requirements with drivers of delivery and freight companies being required to be drug and alcohol tested on initially joining a company and then subject to random tests through their tenure while there is no ongoing requirement for those rideshare services. The drivers of these vehicles are substantially different whereas drivers for TNCs and other rideshare modes must merely have a Class C driver's license, package and freight transport drivers are viewed as professional drivers and must have a Class A, B or CDL drivers license which requires a special test. In addition the drivers in these rideshare services are almost exclusively independent contractors using their own vehicles while the vast majority of freight/parcel delivery are employee drivers transporting goods in company vehicles. Even the transport modes themselves are significantly different whereas the rideshare companies operate almost exclusively passenger automobiles (of 5,000 pounds or less), while the parcel and freight transporters use mostly commercial motor vehicles which exceed a GVW of 10,000 pounds or more.

I am concerned that the efforts, while well-intentioned in SB 239, related to residential delivery of goods could create confusion in regard to possible solutions and strategies on the last mile issue. Incorporating the home delivery area would appear to be duplicative to the activities of the FAC. Along those lines I am concerned how this could affect the role of the FAC and our members on it. Having already asked people in the freight community with expertise on this matter to participate and be involved on the FAC and then having one of the major charges of this committee be shifted to another group with less expertise and knowledge to make recommendations on this area, would act to damage the FAC in the eyes of the freight community. Why invest time and effort, when another group will formulate and provide recommendations on an area that was a priority of the FAC? Further having some of these same people, who have very limited time, be called upon to continue to participate in the FAC as well the study required in SB 239, would stretch them thin.

Let me note that I believe that the FAC would be happy to provide a report to legislators and CDOT regarding recommendations related to not only the last mile for home delivery but the entire freight area. I believe, as many of the individuals on the FAC, that they are the appropriate group and forum for studying the last mile on freight and providing recommendations and strategies for the future.

Based on the above noted comments, I would respectfully request that you amend SB 239 and remove references to home delivery of packages and parcels from the measure.

Thank you.

Sincerely,

Jenyce Houg
President and CEO
Houg Companies