



March 15, 2011

To Our Valued Customers and Friends in the Convenience Retail Business,

This legislative year continues to present challenges and opportunities. Today, I am writing about a bill that benefits you. Although this bill does impact Capitol Distributing directly, we want our customer base to work together on issues that can benefit you collectively. The state of Idaho has on its books an archaic law that requires you to pay cash-on-delivery for alcohol. **Senate Bill 1125 proposes to repeal this C.O.D. requirement.**

The existing law favors only a handful of beer and wine distributors in Idaho, but with all that extra cash, they have managed to buy a decent lobbyist and raise quite a stink. There was an attempt to create a compromise this past week, but it fell through. The beer distributors are now betting they can defeat this bill, and they are going all-in.

There will be a committee hearing this coming **Monday, March 21 at 8:00 a.m.** in the Capitol building. The beer and wine distributors will be well-represented, so it is imperative that there is a strong showing of retailer support in order for legislators to take your concerns for this bill to pass seriously. Please attend. Email me at tremayne.arnold@capitoldist.com if you are interested in attending, and I will let you know where to meet when I hear the details.

We also encourage you to contact your legislator to offer your support (call 1-800-626-0471, or go to www.legislature.idaho.gov/howtocontactlegislators.htm), and we suggest the following talking points:

- This antiquated law no longer makes sense in today's world. It interferes with routine business transactions and places an unnecessary burden on retailers, particularly small operators, by requiring cash payment at the time of delivery.
- COD for one vendor is burdensome and unfair when the other thousands of products carried are paid on negotiated terms. Special arrangements, processes, and mechanisms are necessary for beer and wine.
- This is simply a cash flow issue that benefits a handful of large wholesalers at the expense of thousands of Idaho retailers. Ironically, this same beer & wine wholesalers are not required to pay COD to their suppliers.

I hope you are able to attend the committee hearing. Good luck in your effort.

Sincerely,

A handwritten signature in black ink that reads 'Tremayne Arnold'.

Tremayne Arnold
General Manager