BY THE DIRECTOR:

The Division of Alcoholic Beverage Control (“Division”) is introducing a Third-Party Delivery Permit, authorizing permittees to deliver alcoholic beverages to consumers’ residences on behalf of New Jersey retail consumption licensees and retail distribution licensees. The permit is authorized by N.J.S.A. 33:1-39 and N.J.S.A. 33:1-74 of the Alcoholic Beverage Control Act (“ABC Act”), as well as the Director’s broad authority to regulate the alcoholic beverage industry in New Jersey. An application for a Third-Party Delivery Permit will be available exclusively on the Division’s licensing system (POSSE) beginning on or around October 1, 2022.

I. Background

Consumer demand has led to the development and rapid growth of Third-Party Delivery Services—companies that provide branded delivery services to merchants and consumers. In the typical scenario, a consumer uses a smartphone or personal computer to order and purchase food and non-alcoholic beverages or groceries from a merchant for home delivery. The merchant receives payment (directly or through a payment processing platform) and fills the order, and a Third-Party Delivery Service (which has a contractual arrangement with the merchant) delivers the order. The actual deliveries are made by delivery workers, who typically use their own personal motor vehicles when making deliveries. Modern technology enables the Third-Party
Delivery Service to transmit the order and delivery details and compensate the worker through a smartphone “app.” The merchant pays the Third-Party Delivery Service a “flat” fee (i.e., fixed fee) or a commission (i.e., percentage of the order total) for the delivery, along with any other service-related fees.¹

The Division has met with representatives of some of the larger Third-Party Delivery Services, including DoorDash® and Instacart, which are seeking approval to deliver alcoholic beverages to consumers’ residences in New Jersey. The Division has also conducted outreach with the New Jersey Licensed Beverage Association and the New Jersey Liquor Store Alliance and solicited their comments and concerns. Based on the presentations and submissions of the Third-Party Delivery Services—the growing acceptance of these services by regulators in at least 15 other states²—and the need to adapt to modern technology and e-commerce while preserving the legislative intent of the 89-year-old ABC Act, the Division is authorizing a Third-Party Delivery Permit with the appropriate safeguards to ensure orderly, controlled, verifiable and accountable deliveries of alcoholic beverages. The permit will be the functional equivalent of a transportation license, allowing permittees to deliver alcoholic beverages to customers’ residences on behalf of New Jersey retail licensees, and charge fixed fees for their delivery services. As discussed in detail below, a Third-Party Delivery Permit does not bestow any retail sales privileges and therefore does not authorize the permittee to collect a commission or receive a percentage of the proceeds from the sale of alcoholic beverages.

¹ As discussed below, a Third-Party Delivery Permit does not bestow any retail sales privileges and does not allow a permittee to charge a commission or receive a percentage of the proceeds from the sale of alcoholic beverages.

The Director of the Division is charged with supervising the alcoholic beverage industry in New Jersey, including the sale and distribution of alcoholic beverages. N.J.S.A. 33:1-3. In conjunction with this responsibility, the Director has the statutory authority to issue Special Rulings governing the transportation and delivery of alcohol, and to establish a permit for special cause if a license is not expressly provided for by law and if the permit is appropriate and consonant with the spirit of the ABC Act. N.J.S.A. 33:1-39, -74; N.J.A.C. 13:2-5.5; Canada Dry Ginger Ale, Inc. v. F & A Distrib. Co., 28 N.J. 444, 455 (1958) (holding that the Director’s authority shall be liberally construed); Circus Liquors v. Middletown Twp., 199 N.J. 1, 10 (2009) (holding that the Director’s regulatory authority is entitled to substantial deference).

Authorizing a Third-Party Delivery Permit is consistent with the intent, spirit and purpose of the ABC Act. Permitting a delivery service does not unduly promote alcohol consumption; instead, it accommodates modern-day consumer demand while providing an additional delivery channel for retail licensees, many of whom are facing challenges from the economic instability caused by the COVID-19 pandemic. The permit application requirements, conditions and restrictions imposed by this Special Ruling as described in Schedule A—with an emphasis on preventing deliveries to underage individuals and those who are apparently or actually intoxicated—are consistent with the strict regulation of alcoholic beverages to “protect the health, safety and welfare of the people of this State.” N.J.S.A. 33:1-3.1(b)(1); New Jersey Div. of Alcoholic Beverage Control v. H & H Wine & Spirit Shop, Inc., 216 N.J. Super. 532, 537 (App. Div. 1987) (“Strict regulation of the distribution of alcoholic beverages, particularly to young people, has repeatedly and emphatically been approved by our courts”).

There are two interrelated issues that must be addressed at the outset: the vehicle insignia requirement and the potential use of employees and independent contractors operating their
personal motor vehicles. The Division has carefully evaluated the third-party delivery model, which deviates from the long-established procedures for transporting alcoholic beverages in New Jersey. In establishing a Third-Party Delivery Permit, the Division needed to be satisfied that a deviation from these procedures would not result in any compromise of the Division’s mandate to protect the public by strictly regulating the delivery of alcoholic beverages.

Pursuant to N.J.S.A. 33:1-28, licensees may “transport alcoholic beverages using their own vehicles…for their own respective business[,]” and each vehicle is required to bear transit insignia issued by the Division. This statute was enacted over 80 years ago as the best available method at the time to control the transportation of a formerly contraband product. See, e.g., ABC Bulletin 21, Item 33 (1934). A more modern interpretation of N.J.S.A. 33:1-28 may be considered if it further accomplishes the statute’s legislative purpose. Renz v. Penn Cent. Corp., 87 N.J. 437, 458 (1981) (holding that events that were unforeseen at the time of enactment of a statute may require reconsideration of the statute to preserve a sensible place in the contemporary scene). Stated another way, if a method of delivering alcoholic beverages includes proper vetting and training of qualified drivers—multifactor verification to further ensure the receiving customer is of legal age and not intoxicated—and data preservation in the event of an unlawful delivery and the need for an enforcement action—the statute may be interpreted to enable this enhanced method. AMN, Inc. of New Jersey v. S. Brunswick Twp. Rent Leveling Bd., 93 N.J. 518, 525 (1983) (holding that a statute may be interpreted as if the drafters had considered a specific situation unknown to them).

This interpretation does not depend on the plain language of an octogenarian statute, but on the

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3 The Division’s regulations also require licensees to own, lease or contract for the vehicles they use to transport alcohol. N.J.A.C. 13:2-20.1. These vehicles are required to display insignia issued by the Division. N.J.A.C. 13:2-20.1, -20.8.
“breadth of the objectives” of the ABC Act and “the commonsense of the situation.” Ibid.

Imposing the literal requirements of N.J.S.A. 33:1-28 on Third-Party Delivery Permittees would be impractical and unproductive insofar as the vehicles are not owned or leased by the permittees. Third-Party Delivery Services rely on numerous workers who typically drive their own vehicles to make short-distance deliveries of food, beverages and groceries. Notably, the regulations do not require a parcel delivery service with a transportation license (e.g., Federal Express, UPS) to display insignia on any vehicle unless it is “primarily and substantially used at any time for transport or delivery of alcoholic beverages.” N.J.A.C. 13:2-20.6. Applying the same reasoning to a Third-Party Delivery Permit, the personal vehicles of delivery workers will not be required to display insignia unless those vehicles are used primarily and substantially to deliver alcoholic beverages. The use of modern technology and other safeguards, as described herein, serve as a substitute to ensure the controlled and safe delivery of alcoholic beverages in a manner that protects the health, safety and welfare of the public.⁴

Regarding the status of delivery workers as employees or independent contractors, the Division will deem a delivery worker to be an “employee” of the permittee for purposes of the ABC Act and its corresponding regulations regardless of whether the worker is considered an employee or independent contractor for other purposes, such as for purposes of state and federal labor laws. Pursuant to N.J.A.C. 13:2-44.1, an “employee” is defined to include salaried employees and “persons who perform services on or about the licensed premise pursuant to a contract (independent contractor) and who are not included on the licensee’s payroll, and even

⁴ In the coming months, the Division will evaluate whether the same advanced technology and multiple safeguards employed by Third-Party Delivery Permittees can be used by retail licensees delivering alcoholic beverages in lieu of the insignia requirement. Regulatory amendments may be needed as a result of this analysis.
people who are not paid for their work or services….” Moreover, a licensee or permittee is responsible for violations committed by its “agents” and “servants” as well as employees. N.J.A.C. 13:2-23.28(c). A person delivering alcohol at the direction of a Third-Party Delivery Permittee, complying with the permittee’s method of operation and relying on the permittee’s app to make the delivery, can fairly be described as a servant or agent of the permittee. In sum, the Division can hold a Third-Party Delivery Permittee administratively liable for the acts and omissions of its delivery workers regardless of whether they are employees or independent contractors. Basil v. Wolf, 193 N.J. 38, 63 (2007) (holding that a principal may be held vicariously liable for the actions of an independent contractor if the principal retains control of the manner and means of doing the work that is the subject of the contract).

The ability to hold permittees liable for the acts and omissions of employees and independent contractors alike in this circumstance is critical to the enforcement of ABC’s rules and regulations for these permits, and therefore is an essential aspect of their creation and issuance.

Retail licensees will have the option of using a Third-Party Delivery Permittee to deliver alcoholic beverages in original containers (and cocktails-to-go in “closed and sealed containers” as long as allowed by statute) to consumers’ residences, or in the alternative, they may use their own employees and vehicles with transit insignia. Currently, licensed craft manufacturers do not have statutory delivery privileges and therefore cannot use the services of a Third-Party Delivery Permittee.

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5 Delivery workers may also be held criminally liable for delivering alcoholic beverages to an underage person. N.J.S.A. 2C:33-17; N.J.S.A. 33:1-50.

6 A “closed and sealed container” is defined in Advisory Notice 2020-06 as a container with a tamper-evident seal, meaning a seal that will indicate whether a seal or closure has been interfered with or removed.
Permittee. In the event that should change, the Division will consider whether to allow craft manufacturers to use a Third-Party Delivery Permittee to deliver alcoholic beverages.

II. Permit Requirements

In order to qualify for a Third-Party Delivery Permit, an applicant must submit a method of operation as part of the application process that describes in detail the following procedures:

1) Procedure for conducting initial and recurring background checks of delivery workers (e.g., criminal history, driving record). Note that certain Transportation Network Companies are subject to statutory requirements regarding background checks and criminal history. See N.J.S.A. 39:5H-1 et seq.

2) Procedure for providing alcohol-compliance training and certification to delivery workers who are eligible to deliver alcoholic beverages (e.g., TIPS® or other nationally approved alcohol training certification).

3) Procedure for transmitting delivery-related information to delivery workers (and alerting them that an order contains an age-restricted alcoholic beverage), including retail licensee’s name and address, alcoholic beverage product (type, brand, quantity), and receiving customer’s name and address.

4) Procedure for ensuring that delivery workers have a copy of the permit in their possession during deliveries and a copy of the invoice associated with each order.

5) Procedure for verifying that receiving customers are of legal age and not visibly intoxicated. This should include electronic verification of a customer’s identification as well as verbal and observable verification.

6) Procedure for recording and preserving, as allowed by law, all information related to the order and delivery of alcoholic beverages, including retail licensee’s name, product (type, brand, quantity, etc.); date and time of delivery; and delivery worker’s name.

7) Procedure (and criteria) for refusing delivery and returning alcoholic beverages to retail licensee if and when necessary (e.g., customer is underage or intoxicated; customer refuses to sign for delivery; there is reason to doubt the authenticity of the customer’s ID; there is reason to suspect the customer is accepting delivery on behalf of an underage person; etc.).

In addition, an applicant must submit a sample formal agreement with a retail licensee as

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7 DoorDash® and Instacart do not offer deliveries from breweries or distilleries.
well as a sample formal agreement with a delivery worker. A Third-Party Delivery Permittee will be required to have formal agreements with retail licensees and delivery workers before any deliveries are made. A permittee will also be required to retain delivery-related information for three years,\(^8\) and make it available to the Division upon request for the purpose of investigating and enforcing the ABC Act, its corresponding regulations, and this Special Ruling, including Schedule A.

Permit qualifications, fees, recordkeeping requirements, and restrictions and conditions are described in detail in Schedule A of this Special Ruling. A permit application that does not include all requested information and supporting documentation shall be deemed incomplete and will be denied or cancelled.

III. **Conditions and Restrictions**

The sale of alcoholic beverages by a retail licensee and the delivery of alcoholic beverages by a Third-Party Delivery Permittee are separate and distinct transactions for regulatory purposes, although consumers may see a single combined purchase on their credit card statement (e.g., “INSTACART*SHOPRITE”, “*DOORDASH TOTAL WINE”). A Third-Party Delivery Permittee does not have any retail sales privileges and therefore cannot charge a commission or receive a percentage of the proceeds from the sale of alcoholic beverages, nor can a permittee profit in any way that could be construed as a beneficial interest in a retail license or participation in the licensed business. The retail licensee must retain control of all aspects of alcoholic beverage commerce, including product selection, pricing, and collecting the sales proceeds.

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\(^8\) Pursuant to N.J.S.A. 56:11-54. a retail establishment may scan a person’s identification card to “verify the person’s age when providing age-restricted goods or services to the person[,]” but may not retain this information. See N.J.S.A. 56:11-54(d).
A Third-Party Delivery Permittee is authorized to charge a fixed fee to retail licensees and/or customers for delivering alcoholic beverages. A fixed fee is a pre-determined fee that is not dependent, directly or indirectly, on the sales, profits or revenues earned by the retail licensee. Recognizing the existence of modern e-commerce practices, the Division will authorize Third-Party Delivery Permittees and retail licensees to use an integrated third-party payment processing platform (e.g., Stripe.com, Square.com or other platform) to aggregate their charges and bifurcate and remit the proceeds as appropriate (i.e., retail licensee is promptly remitted payment for sale of alcohol and permittee is remitted the fixed fee for the delivery of alcohol). For example, if a customer makes a single credit card payment for the purchase and delivery of food with an alcoholic beverage, that portion of the payment attributable to the alcoholic beverage purchase must be promptly remitted by the payment processing platform directly to the retail licensee. In the Division’s view, a reasonably prompt remittance would take place within 24 to 48 hours of the sales transaction; allowing an unlicensed entity (e.g., Third-Party Delivery Permittee or payment processing platform) to retain or “hold” the proceeds from the sale of alcoholic beverages for more than a reasonable period of time would give that entity an impermissible interest in a retailer’s license.

Any profit-sharing agreement between a retail licensee and permittee must expressly exclude alcoholic beverages. All fees and other forms of compensation paid to a Third-Party Delivery Permittee by a retail licensee or customer must be disclosed during the permit application process.

In addition, a permittee may be required to register with the New Jersey Division of Taxation as a “marketplace facilitator” and collect and remit all sales taxes for both the purchase
and the delivery of food and beverages, including alcoholic beverages. N.J.S.A. 54:32B-3.6.\(^9\)

With the narrow exception of this “marketplace facilitator” sales-tax collection requirement, a permittee may not collect any of the proceeds from the sale of alcoholic beverages.

A Third-Party Delivery Permittee will be responsible for ensuring that its delivery workers comply with its approved method of operation and the permit’s conditions and restrictions, including, at a minimum, the following:

1. Delivery workers are prohibited from leaving alcoholic beverages unattended or storing alcoholic beverages overnight.

2. Delivery workers are prohibited from subcontracting a delivery of alcoholic beverages.

3. Delivery workers are prohibited from delivering alcoholic beverages to customers who are actually or apparently intoxicated or under the legal age to purchase or consume alcohol.

4. No delivery of alcoholic beverages shall be made to the campus of any college or university.

A Third-Party Delivery Permittee will be held administratively liable for the violative actions or omissions of its delivery workers if those actions or omissions are contrary to the permittee’s method of operation or the ABC Act. See N.J.S.A. 33:1-31; N.J.A.C. 13:2-23.28(c).

The permittee will be required to terminate its agreement with any delivery worker who violates the ABC Act, the regulations, this Special Ruling, or any special conditions imposed on the permit.

A Third-Party Delivery Permittee’s alcohol-delivery services must be made available to all retail licensees on proportionately equal terms, as required by N.J.A.C. 13:2-24.2(a)(2).

\(^9\) A “marketplace facilitator” (e.g., Third-Party Delivery Permittee) and a “marketplace seller” (e.g., retail licensee) may enter into an agreement with each other regarding the collection and payment of sales taxes. N.J.S.A. 54:32B-3.6(c).
As an additional precaution, the Division’s Enforcement Bureau may conduct operations to ensure that Third-Party Delivery Permittees and their delivery workers are adhering to the ABC Act, regulations, and this Special Ruling, including “decoy” purchases through permittees.

IV. Conclusion

The Division will monitor the operations of Third-Party Delivery Permittees and consider modifications to this Special Ruling if warranted before promulgating a regulation.

As modern technology and e-commerce continue to evolve, so do Third-Party delivery services and their increasingly integrated business relationships with merchants. The Division will monitor these developments and may issue directives or further guidance in the future, as needed to ensure that alcoholic beverages are sold and delivered in a manner that protects the health, safety and welfare of the people of this State.

Dated: August 26, 2022

APW/RL/GS
SCHEDULE A

Third-Party Delivery Service Permit (Annual)

(a) Definitions
   1. “Third-Party Delivery Service” means an entity that arranges for delivery of alcoholic beverages in original containers (and cocktails-to-go in “closed and sealed containers” as long as allowed by statute) to customers’ residences on behalf of retail consumption licensees or retail distribution licensees.
   2. “Third-Party Delivery Permittee” means a Third-Party Delivery Service with an annual permit issued by the New Jersey Division of Alcoholic Beverage Control, authorizing it to arrange for the delivery of alcoholic beverages to customers’ residences on behalf of retail consumption licensees or retail distribution licensees.
   3. “Delivery worker” means an independent contractor or payroll employee who performs alcohol-delivery services at the direction and control of a Third-Party Delivery Permittee.
   4. “Merchant” means a retail consumption licensee or retail distribution licensee that has entered into a written agreement with a Third-Party Delivery Permittee to deliver alcoholic beverages.
   5. “Fixed fee” is a pre-determined fee that is not dependent, directly or indirectly, on the sales, profits or revenues earned by the retail licensee.

(b) Eligibility
   1. A Third-Party Delivery Permit may be issued to companies that provide delivery logistics services to merchants and consumers and meet all of the requirements set forth herein.

(c) Annual Permit Fee
   1. Fee for the permit is $2,000, renewable annually.

(d) Application Requirements
   1. Description of specific method of operation:
      a) Target customers (e.g., bars, restaurants, liquor stores, supermarkets).
      b) Procedure for conducting initial and recurring background checks of delivery workers (e.g., criminal history, driving record).
      c) Procedure for providing alcohol compliance training and certification to delivery workers who are eligible to deliver alcoholic beverages (e.g., TIPS® or other national alcohol training certification).
      d) Procedure for transmitting delivery-related information to delivery workers and alerting them an order contains an age-restricted alcoholic beverage, including merchant’s name and address, alcoholic beverage product (type, brand, quantity), and receiving customer’s name and address.
      e) Procedure for ensuring that delivery workers have a copy of the permit and invoice for each order in their possession during deliveries.
f) Procedure for verifying that receiving customers are of legal age and not visibly intoxicated. This should include electronic verification of a customer’s identification as well as verbal and observable verification.

g) Procedure for recording and preserving, as allowed by law, all information related to the order and delivery of alcoholic beverages, including product (type, brand, quantity, etc.); date and time of delivery; and delivery worker’s name.

h) Procedure (and criteria) for refusing delivery and returning alcoholic beverages to merchant if and when necessary (e.g., customer is underage or intoxicated; customer refuses to sign for delivery; there is reason to doubt the authenticity of the customer’s ID; there is reason to suspect the customer is accepting delivery on behalf of an underage person; etc.).

i) Procedure for ensuring that if an alcoholic beverage is undeliverable, the delivery worker will have sufficient time to return the beverage before the merchant closes.

2. Sample agreement between permit applicant and merchant that provides, at a minimum:
   i) All fees, costs, commissions, and other forms of compensation.
   ii) Responsibility for sales tax collection and remittance.
   iii) Responsibility for insurance and indemnity.

3. Sample agreement between permit applicant and delivery worker that provides, at a minimum:
   i) Consent to background check.
   ii) Delivery worker responsible for maintaining valid driver’s license and adequate vehicle insurance coverage.

4. Proof of general liability insurance with liquor liability endorsement.

5. Detailed description of all forms of compensation (e.g., delivery fees, delivery worker tips, etc.) from merchants and receiving customers, including routing or remitting payments. A permittee is authorized to charge a fixed fee to merchants and consumers for delivering or arranging for the delivery of alcoholic beverages. A permittee cannot charge a commission or receive a percentage of the proceeds from the sale of alcoholic beverages. A “marketplace facilitator” permittee must collect and remit sales taxes for the purchase and the delivery of alcoholic beverages unless the marketplace facilitator and the marketplace seller enter into an agreement concerning the collection and remittance of sales tax.

(c) Delivery Worker Qualifications
   1. Must be 21 years or older, hold a valid driver’s license and vehicle registration and have adequate vehicle insurance coverage.
   2. Must undergo criminal background check and driver history check by permittee or permittee’s vendor.
   3. Must receive alcohol awareness training from approved national certifying agency before delivering alcoholic beverages.

(f) Recordkeeping Requirements
   1. Permittee shall retain electronic records of each delivery for three years from the
date of delivery and make available to the Division upon request for the purpose of investigating and enforcing the ABC Act and its corresponding regulations. The record of each delivery shall include the following:

i) Merchant’s name and address.

ii) Name of customer who placed the order and the date, time and method of the order.

iii) Name of delivery worker and the date, time and address of the delivery.

iv) Type, brand, and quantity of each alcoholic beverage delivered.

2. Permittee shall retain electronic records of every merchant agreement for three years and make available to the Division upon request for the purpose of investigating and enforcing the ABC Act and its corresponding regulations.

3. Permittee shall retain an electronic record of all delivery workers by name and address for three years and make available to the Division upon request for the purpose of investigating and enforcing the ABC Act and its corresponding regulations. The Division may also request a copy of a delivery worker’s alcohol-training certificate.

4. Permittee shall store electronic records in a manner that allows for retrieval and production of requested records within seven days, as required by N.J.A.C. 13:2-23.32.

(g) Conditions and Restrictions

1. Permittee cannot charge a commission or receive a percentage of the proceeds from the sale of alcoholic beverages. However, a “marketplace facilitator” permittee must collect and remit sales taxes for the purchase and the delivery of alcoholic beverages unless the marketplace facilitator and marketplace seller enter into an agreement concerning the collection and remittance of sales tax.

2. Permittee cannot arrange for the delivery of alcoholic beverages without a valid written agreement with a merchant and delivery driver(s).

3. Permittee is authorized to operate only on the days and during the hours the merchant is authorized to sell alcoholic beverages.

4. Permittee is prohibited from selling or reselling alcoholic beverages or collecting payment on delivery.

5. Permittee is prohibited from setting the prices of alcoholic beverages or determining which beverages are available for delivery.

6. Permittee is responsible for ensuring that its delivery workers comply with its approved method of operation and the conditions and restrictions on its permit.

7. Each package of alcoholic beverages must be clearly marked, “ALCOHOLIC BEVERAGES.”

8. Employees of licensed alcoholic beverage manufacturers and wholesalers are ineligible to deliver alcoholic beverages for permittees.

9. Delivery workers must have received alcohol-compliance training and certification prior to delivering alcoholic beverages.

10. Delivery workers must have a copy of the permit in their possession during deliveries.

11. Delivery workers must have the following information (electronic or paper form) in their possession during deliveries: invoice or bill of sale stating the name and
address of receiving customer; type, brand, and quantity of each alcoholic beverage being delivered.

12. Delivery workers must verify receiving customers are of legal age to purchase and consume alcoholic beverages in conformity with Third-Party Delivery Permittee’s approved method of operation.

13. Delivery workers must obtain the signature (electronic or paper form) of the receiving customer before handing alcoholic beverage delivery.

14. Delivery workers are prohibited from leaving alcoholic beverages unattended or storing alcoholic beverages overnight.

15. Delivery workers are prohibited from engaging in no-contact deliveries without face-to-face interaction with the receiving customer.

16. Delivery workers must refuse delivery and return alcoholic beverages to the merchant in conformity with the Third-Party Delivery Permittee’s method of operation and this Special Ruling.

17. Delivery workers are prohibited from subcontracting or delegating to another person the delivery of alcoholic beverages.

18. Delivery workers are prohibited from delivering alcoholic beverages to a non-residence (e.g., hotel room, offices, BYOB restaurant, etc.).

19. Delivery workers are prohibited from delivering alcoholic beverages to customers who are actually or apparently intoxicated.

20. No delivery of alcoholic beverages shall be made to the campus of any college or university.

21. Permittee shall terminate its agreement with any delivery worker who violates any condition or restriction in this Special Ruling.