

COURIER **MAGAZINE**

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SMOKE SCREENS

POT LAWS PUT EMPLOYERS TO TEST

Are Retail Partnerships in Delivery's Future?

maybe there's a gap in the current supply chain that the courier industry is poised to fill: Retailer-to-customer delivery.

The Commerce Department reported in July that the U.S. economy grew 1.7 percent in the second quarter of 2013. But analysts have shied away from calling the growth anything more than modest, and there's no word on whether growth will continue. In uncertain economic times, it's no surprise that recent studies have shown that same-day delivery isn't a big draw for customers; the cost is still too high. The Boston Consulting Group study released in March showed that more people are interested in free delivery and lower prices.

Maybe online retailers are facing more competition than they realize from brick-and-mortar stores. Because while same-day delivery doesn't seem to be a big deal among online shoppers, convenience may be able to win the day. Brick-and-mortar stores already have the space and the inventory to fulfill the orders. Now all they need is you, the local delivery contractor who has expertise to make the delivery happen.

You, as the courier, can bring professionalism and delivery expertise to the table. Your dispatchers and drivers know the area. Your specific knowledge and excellent customer service skills may help a retailer develop a customer relationship that they didn't otherwise have.

Third-party same-day delivery won't happen overnight with big-box

stores; corporate entities like Target and Wal-Mart are big wheels that take a while to turn. But even without the biggest retail players, the possibilities are limitless. There is no one-size-fits-all solution: You, the delivery specialist, can find out where you fit best. Final delivery is like being a wild-card puzzle piece in the fulfillment puzzle.

Tom Singer, a principal with Tompkins International, recently released a report, "Final Delivery: A Technology Perspective on Omnichannel Retailing." He writes that competition is driving retailers to explore new avenues for sales and delivery. And the need to deliver the goods fall squarely in the hands of the local delivery company, one who can meet both the retailers' goals and the customers'.

Where to deliver? Singer points out there are several delivery possibilities: residential addresses, to a store for customer pickup or maybe to a delivery locker. For a small delivery company, a partnership with a growing local retailer may be a ticket to greater success for both businesses.

Where do you fit in this shifting delivery landscape? Couriers tend to be entrepreneurs; as you look to the future, consider whether your business has a place in this new order. You might be surprised by the results!

Michelle Tevis

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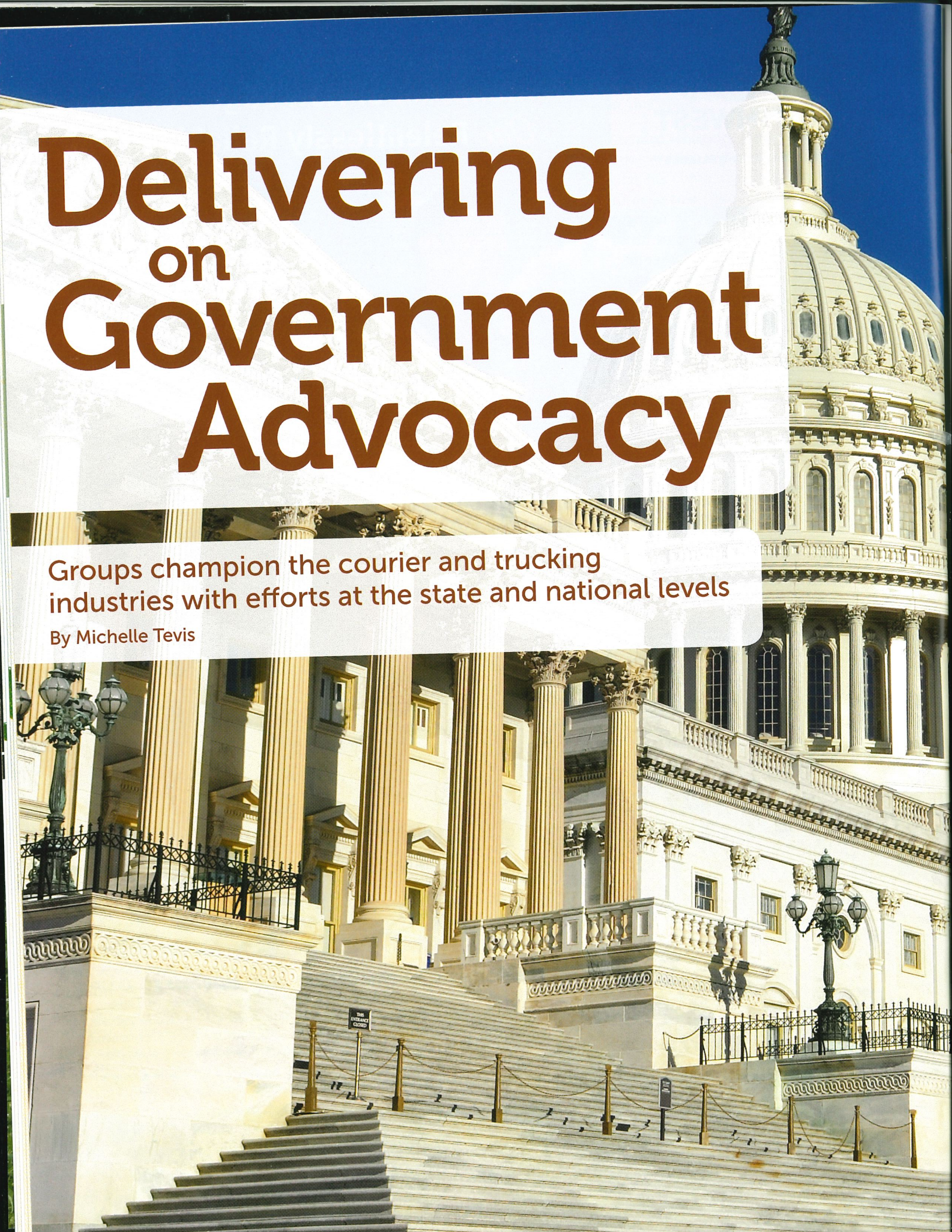
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Delivering on Government Advocacy

Groups champion the courier and trucking industries with efforts at the state and national levels

By Michelle Tevis



No business owner likes surprises. And when a new law is passed that directly affects the courier industry, business owners want to be ready to deal with the resulting deadlines and requirements.

Even better, businesses benefit from knowing about proposals and legislation before they become law. That knowledge gives every business owner, employee and independent contractor the advantage of time—time to gather support for the proposal or to form an educated opposition.

From independent contractor classification to the Affordable Care Act, action at the state and federal levels can affect courier businesses, and it helps to be ahead of the game.

The Customized Logistics & Delivery Association advocates for the courier and expedited delivery industry; organizations such as It's My Business advocate regularly for the courier industry, among other industries populated by small businesses. The Owner-Operator Independent Driver Association advocates for drivers, from those who drive long distances to those who keep it local. These organizations and more recommend that businesses join them in working toward a business economy and environment that is favorable to couriers and other small businesses.

At It's My Business, the main focus is raising awareness about the important role independent contractors play in economic growth. ICs are in every sector of our economy, working as couriers, emergency room physicians, financial advisors, nurses, delivery drivers and graphic artists.

"There are more than 10.3 million Americans who work as independent

contractors," said Karen Mellen, spokesperson for It's My Business. "At IMB, we want to give independent contractors a louder voice so that they can continue to have the right to choose how they work and how they run their business."

Mellen said 28 states have either proposed or passed legislation that restricts independent contract arrangements, legislative moves that can affect courier and delivery drivers who contract with businesses to provide services. She provided some specific examples:

- In New Jersey, legislation (A-1578/S-1450) received final approval from the New Jersey General Assembly in May that would outlaw a number of businesses, in particular those in the trucking and delivery industry. That's because the proposed law presumes that all workers are considered employees, until proven otherwise. But according to the proposed law, it is nearly impossible for small business owners in the trucking or delivery industry to prove they are independent contractors. As a result, if passed, the law would take away the freedom of thousands of independent contractors to choose how they want to work and run their businesses in New Jersey. The bill is now on the Governor's desk, where he can either veto the legislation or sign it into law.
- In New York, S4589 passed during the last evening of session this year, and it will significantly impact small businesses and independent contractors. Like in other states, the law presumes that workers in the transport industry are employees, unless proven

otherwise. As a result, thousands of independent contractors in New York will lose their right to choose how they want to work and run their business.

- The U.S. Department of Labor has announced plans for a \$1.9 million study on how independent contractors and their clients work together. The IRS has increased its audits on independent contractors and the companies that work with them.
- Massachusetts and New Mexico have passed laws that presume every worker is an employee, until proven otherwise.

Shawn Swearingen, the director of government affairs for the Customized Logistics & Delivery Association, said the CLDA is always interested in policies that affect the independent contractor status. The association has broader advocacy goals, too, such as those regarding the Affordable Care Act.

Swearingen said the association has been working hard to educate members on the changes that the health care law will bring to its members' workplaces. The CLDA is also broadening its scope of advocacy to respond to growth and change in the logistics and delivery industry by staying abreast of other policy areas, such as regulations on long-haul trucking by the Federal Motor Carrier Safety Administration.

"Our industry is changing in the size of the companies and the things they're doing in different verticals," Swearingen said. "Their issues are expanding. As such, the CLDA and the association's government affairs advocacy also are expanding their issues."

Get Involved

Find out more about how you can participate in government affairs and advocacy with these associations.

The Customized Logistics
and Delivery Association
www.theclda.com

It's My Business
www.itsmybusiness.com

Express Delivery
& Logistics Association
www.expressassociation.org

Owner-Operator Independent
Drivers Association
www.ooida.com

National Federation of
Independent Business
www.nfib.com

One of the ways the CLDA gets members involved in on its annual Lobby Day, where members visit Capitol Hill and educate their representatives on the importance of the industry to the nation's economy. The association also has a Government Affairs Committee that weighs in on policy issues and determines the best ways to use the association's advocacy funds.

Chairman of the CLDA Government Affairs Committee John Benko encourages anyone who is interested in advocating for their industry to get involved with an association and help other businesses like theirs in the process.

"We are actively looking for participants," Benko said. "We are definitely looking to enrich our efforts with members who are willing to share their time and money. We want to leverage members' relationships; we want to identify who knows whom, and who can leverage relationships and expand it to the general membership."

Jim Conway, president of the Express Delivery and Logistics Association (XLA), said in a March report to members that his organization has made progress in advocating for improved use of the TSA systems for known shippers and the security threat assessment credential.

"There is no question that the TSA systems that govern both KSMS

and the STA (associating employees and agents) have been a source of frustration for our members," Conway said in the memo. "The XLA made a tactical shift in our approach to both of these programs by focusing less on the TSA policy office and more on the TSA IT team that shapes the operational side of these systems."

Conway said that there is more progress to be accomplished with the KSMS and STA compliance. The association is pushing for Web services for KSMS and for agent responsibility for updating and maintaining STA profiles. XLA is also working with the TSA and the Customs and Border Patrol to ensure the air cargo advance screening program allows air carriers to do their jobs to their customers' satisfaction.

Norita Taylor, media spokesperson for the Owner-Operator Independent Drivers Association, says the OOIDA regularly focuses on driver training.

"Regulations are constantly being imposed on truckers yet there are still no minimum training standards to get a CDL," Taylor said. "What we are pushing for right now is for the FMCSA to follow through with what Congress ordered them to do long ago, which is to implement a rulemaking on training standards."

The association has developed a website for their advocacy efforts: www.truckersforsafety.com. The site outlines the group's safety

agenda, which includes training new truckers and building experience for safety, highway infrastructure, safe parking and enforcement efforts that encourage safe driving.

Taylor also emphasized the accountability factor when advocating for independent drivers.

"When you talk about any kind of safety regulation, one of the things we always point out is that no matter what kind of regulations you put in place, for there to be any meaningful improvement in safety, there has to be accountability on the part of all of the parties involved in the supply chain," she said. "By that I mean shippers and receivers are not held accountable for the time they make drivers wait."

Taylor said that regardless of lobbyists' efforts regarding driver safety or technology, none of them will matter if they make drivers wait for hours at a loading dock, cutting into their productivity and ability to deliver on time.

"If a person gets into this industry and can't make a living, they're going to leave," she said. "Big trucking complains about shortages and turnover, but if all we have is new people driving, then how safe is that?"

Advocacy groups across the board encourage business owners, employees ICs and drivers to work together to get involved. Participation with time, energy and financial support are keys. Contacting legislators and lawmakers, communicating and listening are important. And so are awareness and timing, Taylor said.

"It isn't just a matter of contacting lawmakers, but doing it when legislation is introduced," she said. "Watch for updates and call to action alerts for the best opportunities to have the most influence."

An active and aware business base means better business for couriers. •