



## **MCAA Industry Talking Points**

- The courier industry is an integral part of the American economy, providing transportation of packages, medical supplies, bulk materials and documents among businesses and corporations in the United States and beyond.
- What distinguishes the expedited courier sector from other components of the delivery supply chain is the emphasis on less than 24 hours, just-in-time delivery of packages based on customer demand.
- The typical courier firm employs about 25 individuals, who receive good salaries and benefits, and utilize up to three times that many independent owner-operator drivers annually.
- There are more than seven thousand small, locally owned and operated businesses located in communities throughout the United States that makes up this multi-billion dollar courier industry.
- The business model for the courier industry is particularly dependent on independent owner-operators, which are used in addition to its dedicated employee resources. The nature of the industry, with its unpredictable on-demand, often unscheduled delivery model, requires a varying number of courier drivers on any given day and time of day to complete a set service.
- Owner-operator drivers are a key part of the same-day delivery practice as they provide the ability for flexible scheduling and ensure a courier will always be available for a customer delivery.
- While there are many industries that use courier services, certain industries critically depend on couriers for expedited same-day or less than 24 hours delivery on a daily basis.
  1. Biomedical labs and analysis centers use couriers to retrieve and deliver samples for testing and evaluation.
  2. The manufacturing industry relies on couriers to distribute parts to keep their plants running.
  3. Financial institutions must transfer multiple documents every day between branches and processing centers.
  4. Law firms must deliver confidential documents on very strict deadlines and use couriers to ensure rapid delivery.

5. Pharmaceutical distributors utilize couriers to transport medications to hospitals and nursing homes daily.

- Industry surveys indicate that 99 percent of owner-operator drivers are professional drivers. Often times this includes knowledge of safety and Transportation Security Administration guidelines.
- Courier firms provide an invaluable service because the “big four” (DHL, UPS, FedEx, and USPS) in the delivery business simply do not provide same-day delivery services uniquely designed to meet specific individual customer needs.
- The industry primarily accepts billed payments and does 99 percent of their business with “known” shippers. This drastically reduces the ability for an individual to use a courier service to deliver harmful agents, since there is a traceable record set by the transaction.
- Drivers obtain the package from the customer and typically retain sole control of that package throughout the delivery process, ensuring the package remains intact and unscathed until its arrival.
- The MCAA is working closely with the Transportation Security Administration (TSA) to complete a security survey to gain a better understanding of security practices and procedures of the industry. This survey comes as a follow-up to the voluntary security program presentation given by TSA officials at the MCAA Annual Meeting.
- Regulations such as the current meal and rest period regulation in California deny workers flexibility regarding when they take meal breaks. These regulations provide unnecessary penalties, lack needed flexibility, and jeopardize the safety of our country’s drivers.
- Use of independent owner-operators is under fire in a number of states as companies that use these independent workers have been historically exempt from unemployment and workers’ compensation tax requirements for these workers.
- State agencies are not providing clear and consistent regulatory guidance and most of the pending state legislation on independent contractor reform dismantles the current and historical system.
- The result has the potential to cripple a number of industries, including the courier industry and ultimately the tens of thousands of businesses that rely on the flexibility, the service and the independence the current business model provides.