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MCAA Talking Points

Courier Industry Background

- Introduce yourself and your facility. Describe briefly the location of your business within your Member's State or District. I am _____, owner of _____, which serves _____ businesses and contracts with _____ independent contractor drivers and _____ employees.
- The courier industry is an integral part of the American economy, providing transportation of packages, medical supplies, bulk materials and documents among businesses, health facilities and corporations.
- There are more than seven thousand small, locally owned and operated, businesses located in communities throughout the United States that make up this multi-billion dollar courier industry.
- 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 business model for the courier industry is particularly dependent on independent contractors, 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.
- Independent 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. 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.



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- Courier firms provide an invaluable service because others in the delivery business simply do not provide the same kind of same-day delivery services uniquely designed to meet specific individual customer needs as MCAA member companies do.

Independent Contractor Issue

- Use of independent contractors has come under scrutiny. Independent contractors are responsible for paying their own unemployment and workers' compensation taxes. Businesses that use independent contractors therefore do not pay these taxes for their independent contractors but do issue 1099 forms for the services they provide.
- The proposals in the President's Fiscal Year (FY) 2012 Budget and the legislation introduced in the last Congress 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 and non-profit associations that rely on the flexibility, service and independence the current business model provides.

MCAA's Legislative Agenda

- MCAA recognizes there is not clear and consistent guidance to assist companies in making the proper determination on an individual's employment status. MCAA is seeking to promote legislation to add the necessary clarity to the Internal Revenue Code.
- We are in the process of identifying a Member of the House Ways and Means Committee to sponsor the legislation that will accomplish this goal. Once a bill has been introduced, we can follow up with you with the bill number and details on the legislation.

The Request

- We are asking you to support and cosponsor the legislation MCAA endorses. MCAA believes this legislation is necessary to provide greater assurances that the same day and/or less than 24 hours delivery companies be allowed to maintain their current and historical treatment.