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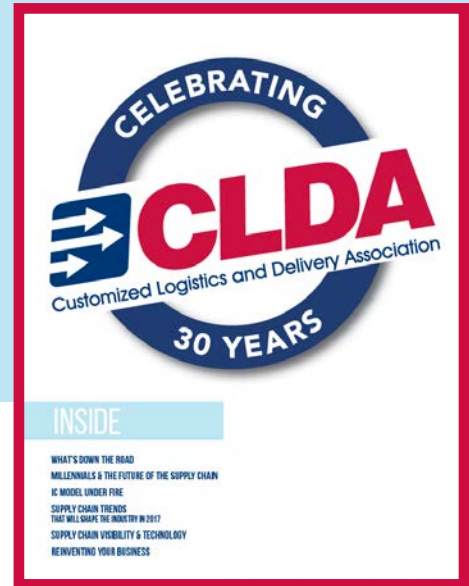
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PRESIDENT'S MESSAGE

*John Benko
CLDA President*



Dear CLDA Members,

As we move into 2017, the last mile and final mile industry as we know it continues to gain attention.

This magazine issue features articles on the trends and projections for the industry as we move to celebrate 30 years of the association's founding in 2017.

We continue to push you, our members, to stay engaged in the industry, tell us what you are looking for from the association and how we can better leverage our knowledge and our network to meet your business' needs.

I hope to see you May 3-5 at the JW Marriott in Orlando.

With regards,
John Benko
President



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30 years
of the
association's
founding
in 2017.*



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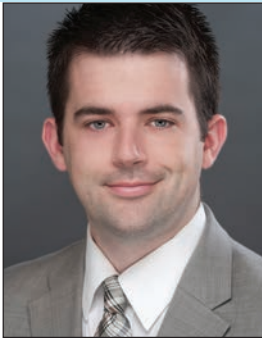
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Shawn Swearingen
Executive Director,
CLDA

EXECUTIVE DIRECTOR MESSAGE

A happy new year to our members and partners in the industry! It is my honor to pen this column as Executive Director of CLDA. It has been a privilege to work with the membership and industry partners over the past 5 years as your Director of Government Affairs, and I look forward to moving forward working with the Board and association as its Executive Director. Bob DeCaprio's shoes and voice will certainly be difficult to fill, but I know moving into the 30th year of the association we are in great position. We certainly want to thank Bob for everything he has done for the association and industry abroad for over 15 years, leading us to where we are today.

As alluded to above, 2017 is the 30th anniversary of CLDA! This means a few great things are coming for you to look forward to. The Annual Meeting at JW Marriott Grande Lakes in Orlando is going to be one you can't afford to miss. Speakers and session planning is in full swing by our committees. If you haven't read it in our CLDA Express, Lobby Day this year will be teamed up with the annual Fall Forum. While we enjoyed a wonderful partnership the past three years with PARCEL Forum, we've elected bringing it back to Washington, D.C. and as a CLDA stand-alone show. The Webinar Committee has a line up ready for the year along being able to educate on any breaking news. What has Government Affairs have up its sleeve with the new make-up on Capitol Hill? I'll leave it to our Chair and new Director of Government Affairs to lay-out in their section, but know the planning and legwork begun even before Election Day.

We have a wonderful team with Amber, Madeline and Linda along with a great and enthusiastic Board of Directors. Know our phone and door is always open to all of you, and thank you for your participation in the industry.

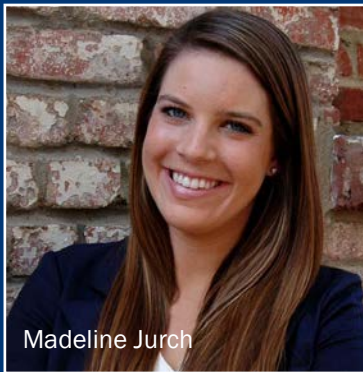
Shawn Swearingen
Executive Director, CLDA



GOVERNMENT AFFAIRS



Mark Cossack



Madeline Jurch



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Be sure to look for continuing Government Affairs updates via the CLDA Twitter account (@theCLDA) as well as on the CLDA website and email alerts.

If you have any questions on the CLDA Government Affairs activities or would like to become more involved, please contact Madeline Jurch at madeline@clda.org.

LIGHTENING HAS STRUCK!

That was certainly a nail-biter of an election. As this article goes to print, the President-elect's transition team is still sorting out selections for Cabinet positions. However, as you've seen prior to getting this issue, now is the time to be able to push the CLDA and industry agenda forward on Capitol Hill with you the members and our coalition partners. Lightning has struck and CLDA needs your help! By being an Advocacy Donor, your donation goes directly to supporting federal government affairs effort and key state efforts. This is the time to be involved. Less than 1/4 of the membership donates to the effort that benefits of all members. When the effort first started we had to play defense and educate the Hill. Now CLDA is in a position with this political make-up to build on all the success of prior advocacy years. Contact CLDA staff today to donate! To our current donors, thank you.

One thing is for sure, our Government Affairs Committee has been hard at work planning and laying strategic ground work for the coming year. Prime Policy Group met with committee members on December 6th in the CLDA Washington, D.C. office to re-cap the election and provide recommendations on the coming year. Keith Smith and Armstrong Robinson of Prime along with me met with Ways & Means counsel prior to Election Day on the prognosis of Tax Reform happening in 2017. With Republican "trifecta", tax reform is being touted in the news as one top priorities of new administration, and with CLDA already in the door and in discussions we are in excellent position.

In addition to tax reform talk, work with the Department of Labor is under way. The "interpretive guidelines" that came out last year on the economic realities test is certainly to be challenged with CLDA and its allies with the incoming DOL Secretary. New guidelines and rule making will likely be seen in the coming years after current regulations are drawn back. The "trifecta" will have a long to-do list of their along with everyone else lobbying them. Business issues in general will be a topic of conversation in the halls of Congress and CLDA will be right there with them. As we advocated for during the 2016 Lobby Day, alignment of the tax rate to better help small businesses will again be a key point in advocacy efforts.

There is a lot of work to be done before our Lobby Day – Fall Forum event but we need all of you in D.C. to push us over the goal line!

Although the Presidential election sucked most of the oxygen out of the campaign talk this year, there have been a lot of changes throughout the state legislatures too. The hot spots will continue to be California, Illinois, New York, Washington and Colorado. However, with the “red tide” sweeping through other states, the defensive front won’t be as broad as in the past. This certainly doesn’t mean our state efforts will rest on their laurels. If you are interested in being involved in your state associations, contact CLDA staff or visit our web page to find out if there is a location of yours in a state with an organization. Reports from the current associations can be found later in this issue.

CLDA has a new Director of Government Affairs

CLDA has a new Director of Government Affairs, Madeline Jurch. She joins the team as this issues goes to print so you can look to the next issue and others from her! Madeline Jurch graduated from Vanderbilt University with a B.A. in Public Policy and Managerial Studies. She has worked in the offices of United States Senator Lamar Alexander (R-TN) and United States Senator Lindsay Graham (R-SC) specializing in constituent outreach and legislative research and drafting on Capitol Hill. Along with federal legislative experience, Madeline has prior involvement with multiple government affairs teams working at the local and state level advocating for changes in regulations and standards, specifically in the automotive and transportation sectors. Before joining the CLDA team, Madeline worked with the Juice Products Association, Society for Maintenance and Reliability and Professionals, Corporation for Battery Responsibility, and the Copper Development Association on their Government Affairs program and managed the communications, membership and education committee for the Roof Coatings Manufacturers Association as part of Kellen. Welcome to the CLDA team, Madeline! **CLDA**



***Follow Us on Government Affairs Newsletters
& In the CLDA Express!***

If you have any questions on the CLDA Government Affairs activities or would like to become more involved, please contact Madeline Jurch at madeline@clda.org.

What's DOWN the ROAD?

A look into the future by two
past presidents of the association



By Andrea Obston, Director of Public Relations, CLDA



Kirk Godby and Rob Slack have been executives in the time critical same-day delivery industry for a combined 75 years. Both men are past president of this association. Today, they have teamed up as the Senior Consultants for SameDay Consulting, specializing in last-mile, M&A and insurance requirements.

The CLDA Magazine recently sat down with them to talk about what they see coming down the road

CLDA Mag: What are the biggest challenges that people in this industry are facing?

Slack: In my 40 years working in the same-day and expedited transportation industry I have talked to hundreds of company owners. When I ask them what are their biggest challenges and concerns, these four things usually come up: driver recruiting; classification challenges; rising insurance costs and exit strategies. I call them the “Fearsome Foursome of Transportation.”

CLDA Mag: Let's talk about driver recruiting.

Godby: Historically the drivers who work in this fast-paced, need-it-yesterday environment tend to be renegades who like to be on their own. They don't want anyone looking over their shoulders. They aren't interested in anyone telling them what to do. I've dealt with thousands of these drivers over the years and I know them to be an incredibly well-informed, well-read bunch. They have strong opinions about most things and they are hell bent on convincing the world that they are right.

Slack: If you want to attract these free thinkers you need to think of them as entrepreneurs. They want to be free and make money. To be free, they need to be able to make their own choices. The key to making these drivers happy is multiple choices so they can set their own stage. Freedom comes in many packages.

For some that might mean the freedom to set their own hours, work when they want to. Still others define freedom as the ability to choose to accept work from multiple entities so they can maximize their miles each day and make the most money.

Godby: The companies that are the most successful at recruiting these people are the ones that embrace these desires and work hard to make them a reality. The company that is too demanding about where and when they want drivers to be available will be a bad fit for these guys. Companies that have the attitude that the drivers are “their” drivers and don’t want them accepting work from anyone else (especially a competitor) will also find it a challenge to recruit them. Quite frankly, these companies should be looking for employee drivers, not ICs.

CLDA Mag: How do the recruitment methods you use today differ from those of the past?

Slack: What used to hold true 10 years ago, 20, 30 years ago, doesn’t today. To recruit and keep driver-owners you need to be flexible so they can maximize their income. Happy drivers are those who are making more by being in business for themselves than they can working for “The Man.” That means carriers need to look at their competitors differently when it comes to driver recruitment. Your competitors must be your allies in this pursuit. You both have the same problems. You are better off working together to create a larger volume of business for the drivers than to isolate yourself and have to wage a price war to generate the volume internally.

Godby: Logistics companies should share drivers; drivers should share clients. It’s in all of our best interest to learn how to do this.

CLDA Mag: It seems that every time you look at transportation related news it has to do with the classification of drivers as independent contractors. Why is that?

Slack: The line that is drawn to determine if someone is an employee or an independent contractor is as clear as mud. It depends on so many variables like: What state you’re dealing with; what agency has jurisdiction. It also depends upon what kind of freight you’re carrying; it it’s narcotics, TSA regulated; where the shipment originates and whether it crosses state lines. And then there’s the issue of whether a state’s coffers for UI are depleted (which all are), prompting front-line claims managers to take the position that everyone is an employee. It might be the question of whether it’s a government challenge or civil action. Or if it’s a civil matter, a result of a vehicle accident or class action? I could go on for days.

Godby: With unemployment being what it is, the UI bank accounts are almost empty, and they need to raise

money. Class action attorneys see this as an opportunity in grey areas to force companies into large settlements where the drivers only get a small percentage of the proceeds. It’s really not fair, but with the government run by lawyers, tort reform will never happen.

Slack: IC status comes down to a few things: How drivers are treated; how are they paid and whether are they the masters of their own destiny.

If you treat them like employees, they are employees. It’s as simple as that. Treating someone as an employee comes down to issues like you maintaining the right to hire or fire them. Or you requiring them to fill out an employment application. Employees get paid time off and bonuses. ICs do not. Employees are told where, when and how their work is to be done. ICs are not. Employees operate your equipment, ICs do not and never should.

If you treat these people as independent business people they can legally be classified as ICs. They can set their own hours. They can negotiate payment by the mile, package, day, route or any combination. They can use a substitute. They provide their own equipment. They pay all their own expenses and can advertise their businesses. They can work for multiple companies. And they are paid by settlement check, reported on a 1099 form and they file a Schedule C as part of their tax returns. Just like all of us, they run the risk of loss and have the opportunity to profit.

Godby: To identify your weak areas when it comes to these distinctions, start with your dispatchers. Generally speaking, owners get it, because they have so much to lose. Middle managers get it, but they also realize that following all the rules will make it harder to manage a “well-oiled machine”. Dispatchers say they get it, but they have a tendency to cross the line. Their main concern is getting the deliveries done, so they are a bit looser when it comes to these issues. I talk to many owners who tell me the whole organization understands and follows the rules. Then the depositions begin and it paints a different story.

Slack: With so many elements involved in the use of the independent contractor business model, my advice is to get a good team of consultants in place. Get an accountant who understands the model. Find a good lawyer who has experience with these types of challenges. Look for an experienced consultant that has been in the trenches for a while and then find a good third party administrator to assist in the back office and legal complexities involved with your decision. If you are ever the target of a class action suit, you will need these four strategic partners at your side. You are better off engaging them before you need them so there’s no learning curve to get over if and when you do.

CLDA Mag: Let's talk about another key area of concern in this business: insurance costs.

Godby: Unfortunately our litigious society has made insurance the necessary evil of life. We all cringe with every large check we have to write for premiums. But when that day comes and that claim happens, you are damn happy to be covered. The expedited delivery industry historically has been viewed by underwriters as the bottom of the risk barrel. They didn't need it and didn't want it. So they priced it accordingly. But now times have changed.

Slack: With the onslaught of ecommerce, the gig economy has made the expedited delivery industry a key component in the last-mile of the supply chain. That means we're involved with heavy hitters that want proper coverage in place to protect their deep pockets from the aggressive litigation firms. As a result, the underwriters are changing their opinion of the market and are starting to loosen up on their underwriting criteria.

Godby: The biggest problem has been finding affordable commercial auto coverage for IC drivers. This ties into the recruiting issue as well as the compliance aspect of IC classification. Different carriers have advertised that they offer drivers these policies, but the premiums were high. These costs put the drivers in an operating cost squeeze, which leads them to need to renegotiate their fees with logistics companies. Also, these drivers have trouble getting cooperation on timely distribution of certificates to the customers they want to service. That means it's tough for them to expand their customer base.

Slack: Companies are coming up with some pretty creative solutions to these issues. For example, Progressive has a new personal commercial program through BizChoice.com that combines the policy with a ride-along cell phone type device that measures things like hard stops and speed. When the driver reaches certain thresholds, a push notification goes out requiring them to watch a problem-specific video about that area. Afterwards, they take a short quiz. If they pass, they can maintain their inexpensive rates. Drivers may find this inconvenient, but it's a small price to pay for greater safety and lower premiums.

CLDA Mag: The final member of what you called the "Fear-some Foursome of Transportation" is exit strategies. Let's end with a discussion of these issues.

Slack: A good friend of mine in this business once said to me "Now that I have gotten into this mess, how do I get out?" Well, the time might be right to do that now. There

are a lot of buyers out there looking for ways to establish a nationwide footprint to prepare for the growing trend in last mile. Courier owners are getting squeezed on price from larger regional couriers and all the new kids on the block like Amazon and Uber. To many of these owners, the writing is on the wall and they want to act.

Godby: All things are cyclical. The buyers are back. There was a long period after the US Delivery / Velocity / CDL roll ups where there just weren't any buyers, at least none that wanted to pay more than 2, 3x EBIDA. Those who didn't have family interested in continuing the business began to realize they'd be working way past their desired retirement to keep things going.

Today's gig economy may just be the Knight in Shining Armor for many. It's coming to rescue you from the impending doom (if in fact it is coming...which we all think is). For carriers that have any thought of selling, now just might be the time. When this window closes we believe it could be another 20 years before it opens again.

Rob Slack is a 40-year veteran of the same day delivery industry and a Senior Consultant with SameDay Consulting. He founded LEDFOOT Express from his dorm room in college, was a senior executive at US Delivery, NextJet and served as President and COO of SCI for over 16 years. He is a Past President of the MCAA, the predecessor of the CLDA, and a member of the Courier Hall of Fame. He was awarded the Distinguished Service Award by the MCAA.

Kirk Godby is 35-year veteran of the industry and a Senior Consultants with SameDay Consulting. He is the Immediate Past President of the CLDA and is the Managing Partner of FM2 Logistics Solutions, Don't Tell My Wife Stables, Smart Icon Technologies and several other ventures.

SameDayConsulting provides strategic tactics for logistics implementation. Their solutions enable clients to economically deliver to last-mile customers without losing sight of business needs and customer requirements. They consult in the following areas: LTL last-mile operations; expedited delivery; residential delivery; classification management, insurance mitigation; exit strategies and driver recruitment. For more information see: www.SameDayConsulting.com. **CLDA**



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millennials



& the Future of the Supply Chain

Millennials – there is no shortage of opinions about their impact - on the economy and workplace. They are a generation all of us in the logistics industry need to figure out, even if we have trouble understanding their mindset

Why? Because Millennials have surpassed Baby Boomers as the nation's largest living generation. They number 75.4 million, according to population estimates released in 2015 by the U.S. Census Bureau. In that year Millennials (those the Census Bureau defines as those who were 18-34 in 2015) outnumbered the 74.9 million Baby Boomers (ages 51-69). That is also the year when the 53.5 million-strong Millennial workforce first outnumbered the Baby Boomers in the workplace. And that trend is expected to last as Boomers continue to retire. Working with Millennials is, therefore, not only unavoidable, but also essential to the future of your company.

The increasing number of Millennials in the workforce is good news for those in our industry who utilize the services of independent contractors, according to Scott Grandys, Founding Partner of ClearConnect Solutions. ClearConnect Solutions leverages extensive industry experience and advanced technology solutions to help carriers source, qualify, and engage independent contractors throughout the United States.

Scott was a panelist at the PARCEL Forum speaking about staffing trends and the impact of Millennials in the workforce. He pointed out that the escalating number of Millennials in the workforce means a larger pool of workers who are “tech savvy” and enjoy independence. “Studies show that Millennials like the freedom of being ICs,” he said. “They like being able to flip the switch on when they work and when they don’t. They look for ways to earn a living that allow them to pursue personal interests, such as travel. That’s why we’re forecasting that the IC model will

grow with this increasing workforce fueling it. As Millennials get out of school and enter the workforce they will have little interest in working for 'The Man.' They could care less about getting the gold watch after 30 years. The IC model is perfect for them."

Scott's company, Clear Connect Solutions has had a front row seat to this trend. "We see a lot of the Millennials. They enjoy the freedom that comes from being independent contractors and small business owners," he said. "We find they can be good candidates when we are looking for individuals who are interested in getting into transportation as ICs and want to become true professionals," he says. "We look for those who want to own their own businesses and operate in a professional, business-like manner. We screen them. We help them set up their businesses. We help them get their licenses and purchase insurance and then we help them market their services to companies that are looking in need of their services. We think of ourselves as Match.com for carriers and ICs."

Dealing With The Millennial Mindset

But, what seems natural for the Millennials is not so easy for the carriers. They don't know how to deal with the Millennial approach to life and are not sure how it fits with their business model. "Carriers are struggling to figure out the IC model with Millennials in it," says Grandys. "They aren't sure how to easily contract with these Millennials and they are having trouble wrapping their heads around the Millennials' on-again-off-again connection with work. Millennials view their work a bit differently. They enjoy using technology to increase efficiencies. They want the flexibility to work for a period of time and then move on to other interests or challenges. Companies need to find a way to easily connect and contract with them and, at the same time, allow them to maintain their independence. After all, at the core of every IC test is the independence of the worker and separation of the company's business from the business of the IC. The Millennial mindset suits the IC model."

Why have companies like Uber and Lyft been able to handle a Millennial workforce? "Because they built these companies understanding the reality of the Millennial mindset," says Grandys. "We in this industry, historically, don't think that way. For many years we

have been used to saying 'These are MY drivers. They can't work for someone else. I don't like the idea of them sharing my customer information with other carriers.' Many Millennials feel this approach is restrictive. They look at it as stifling their opportunities for growth, both personally and professionally."

Grandys offered a look at the Millennial mindset:

- Millennials are naturally adept at a marketplace model because its foundation is based on technology and the Internet
- They value experience more important than money
- They favor a business model that allows them as much independence and self-control as possible
- They want to "work when they want" and still have time to balance other interests such as travel and activities that create memories
- Entrepreneurialism among them is high.
- The use of technology in their work and personal lives is as second nature to them as walking and talking.
- They like viewing themselves as free agents.

Companies that have found ways to make the most of the Millennial mindset have developed vibrant, creative and involved workforces. "These companies simply hold them accountable for the work they hire them to do. Not the number of hours they work," says Grandys. "Because experiences, in general, are most important to Millennials than money, these employers give them the flexibility to trade shifts, like Southwest does. Or offer them ways to blow off steam during work like the ping pong tables at Infusionsoft."

Grandys offers these words of advice about making the most of Millennials as ICs: "Whether as employees or ICs, Millennials want to be free. This is very good news to those in our industry who are looking for ICs who truly want to be independent. Let them be free, but hold them accountable for their work. Give them the guidelines they need to be the professional face to your business, but don't put them in a box. You'll get the best of both worlds: ICs who truly want the independent lifestyle and a plentiful workforce to choose from."

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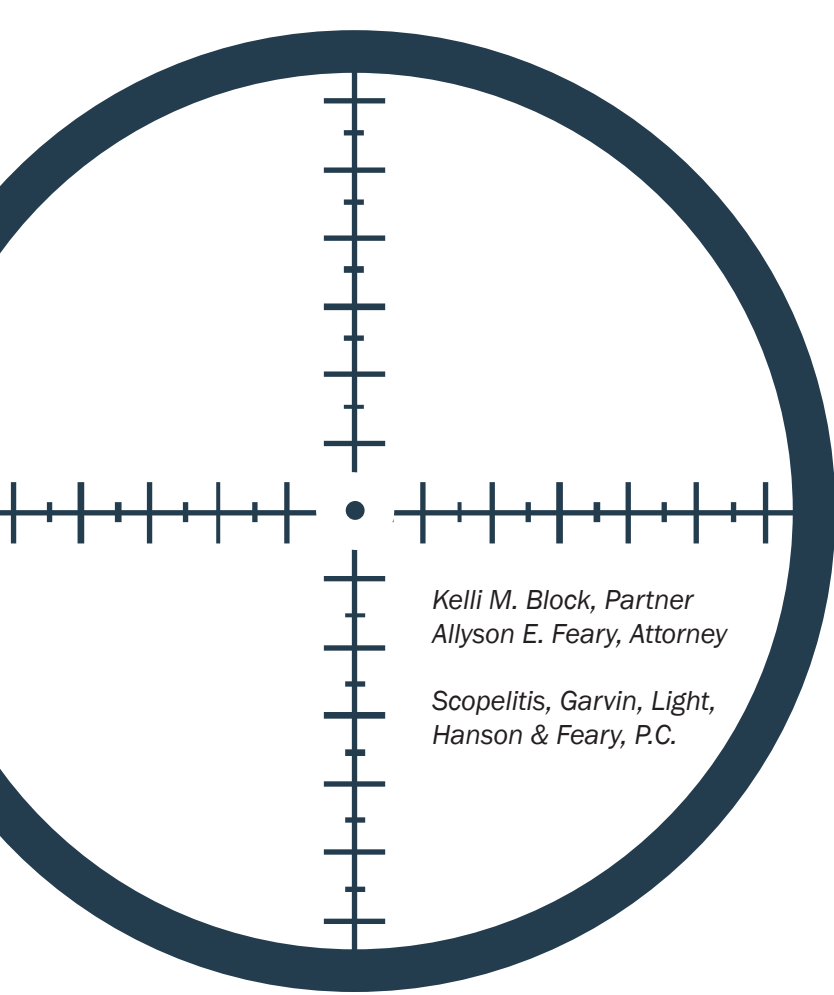






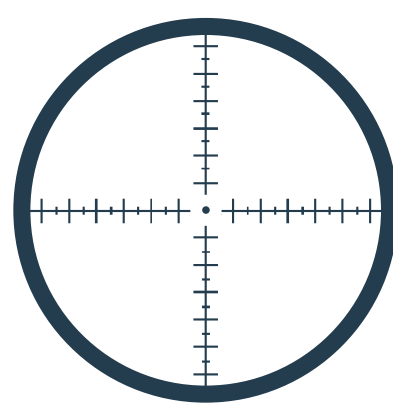






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IC MODEL UNDER FIRE

For motor carriers and other logistics companies utilizing independent contractor owner-operators, it comes as no surprise that the independent contractor model remains under assault on a variety of fronts. For example, the U.S. Department of Labor (“DOL”) recently granted nearly **\$40 Million to state unemployment insurance departments** in part, according to the DOL, to help level “an uneven playing field for employers who properly classify their workers” as employees. Such grants come on the heels of interpretive guidance announcing “most workers are employees” entitled to broad rights and protections under the Fair Labor Standards Act (the “FLSA”). *DOL Administrator’s Interpretation No. 2015-1* (“DOL Interpretive Bulletin”). Moreover, the IRS’s information-sharing initiative with state unemployment tax agencies continues.

The independent contractor model is under attack at the state level as well. Indeed, a dissenting state court justice recently described the majority opinion in one case as illustrating that “it has become virtually impossible for a trucking company and an independent driver/lessor to structure their relationship in a way that reliably precludes a finding of an employment relationship, even if that is the clear and expressed intent of both parties.” *Steel & Machinery Transp., Inc. v. Illinois Workers Comp. Comm’n*, 33 N.E.3d 674, 686 (Ill. Ct. App. 2015). And the undulating

political bias against transportation companies that engage owner-operators in the drayage sector of the transportation industry is nowhere more apparent than at the Ports of Los Angeles and Long Beach.

Given these and other recent attacks on the utilization of independent contractors, a motor carrier must carefully consider every aspect of its relationship with owner-operators.

DOL GRANTS AND BUDGET INITIATIVES

The DOL has made no secret of its interest in “cracking down” on the misclassification of employees as independent contractors, long describing worker misclassification as “one of the most serious problems facing affected workers, employers and the entire economy.” As a result, the DOL has entered agreements to share information and resources aimed at reducing unlawful misclassification with the IRS and at least 31 state departments of labor. The DOL has also issued roughly \$60 Million in grants to state unemployment departments to implement or improve worker misclassification detection in the past few years.

THE DOL INTERPRETIVE BULLETIN

Given the foregoing, companies utilizing independent contractors should find the rhetoric underpinning the July 15, 2015 DOL Interpretive Bulletin familiar. Not surprisingly,

the Bulletin describes independent contractor misclassification as an endemic strategy companies invoke “to cut costs,” “avoid compliance with labor laws,” and create an “uneven playing field for employers who properly classify their workers.”

Arguably, the boldness of the Interpretive Bulletin’s conclusion — i.e., **“most workers are employees under the FLSA”** — is remarkable only to the extent it relies on no new or even recent case law addressing independent contractor status. Instead, the Bulletin reads a bit like a social studies lesson, harkening back to the roots of the “suffer or permit to work” standard in early-industrial era efforts to curtail abuses associated with child labor.

The factors the Bulletin identifies as intrinsic to the determination of independent contractor status under the FLSA are not, standing alone, controversial. The agenda underpinning the DOL’s seemingly neutral recitation of those factors is nevertheless apparent upon review of the Bulletin’s illustrations, some of which arguably represent an effort to render any entrepreneur an “employee” if the entrepreneur does not actively advance their business by developing a wider customer base. Taking the DOL’s openly slanted reasoning to its conclusion, a motor carrier cannot engage an owner-operator as an independent contractor unless the owner-operator concurrently furnishes multiple carriers with transportation and delivery equipment and services, a consequence contrary to precedent.

IRS WORKER CLASSIFICATION CHALLENGES

Over the years, IRS scrutiny of the independent contractor model has varied in intensity. But the IRS’s recent collaboration with the DOL has led to even more aggressive reclassification efforts. Fortunately, transportation companies may invoke the safe harbor protection Section 530 of the Revenue Act of 1978 offers businesses that engage independent contractors.

To qualify for Section 530 safe harbor, a taxpayer must have (1) timely filed all required federal tax returns consistent with its treatment of each contractor as not being an employee; (2) treated no contractor nor any worker in a substantially similar position as an employee for employment tax purposes; and (3) a reasonable basis for not treating contractors as employees. When a taxpayer proffers a reasonable showing that it has fulfilled these requirements, and the IRS cannot prove otherwise, the taxpayer secures protection from retroactive assessment of employment taxes on the amounts it paid contractors. Section 530 relief also renders further scrutiny of the taxpayer’s relationship with independent contractors for the period under audit improper and unnecessary regardless of whether the IRS believes the contractors should be deemed employees. And

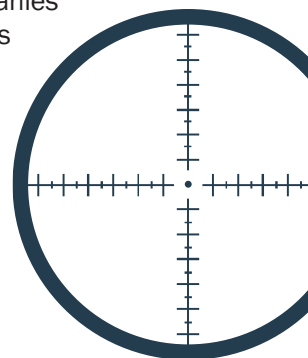
the taxpayer need not prospectively treat the workers at issue as employees.

Given the comprehensiveness of the relief Section 530 may provide, a taxpayer should raise Section 530 safe harbor as its first line of defense in the event the IRS targets the taxpayer’s treatment of workers as independent contractors for review. But Section 530 does not provide the only defense to an effort by the IRS to reclassify independent contractors as employees. A taxpayer may yet prevail under the multi-factor test the IRS applies for purposes of determining independent contractor status. This is key, as the federal tax court and several other tribunals have confirmed the status of owner-operators as independent contractors under the IRS test and various similar tests that primarily consider whether the putative employer directs or controls the manner or means of the alleged employee’s work.

WHAT DOES THIS MEAN?

Despite recent attacks on the independent contractor model, transportation companies that engage owner-operators may rest comfortably in many jurisdictions. Indeed, some courts and administrative agencies have been willing to recognize the continuing viability of the traditional independent contractor model under federal and state laws, several states have enacted exemptions that remove owner-operators from the scope of workers’ compensation and/or unemployment tax laws, and safe harbors likewise remain available under federal law.

With this said, a motor carrier would be remiss if it did not carefully evaluate every aspect of its relationship with owner-operators and implement some strategies to reduce its attractiveness as a litigation target and provide the basis for a sound defense in the event litigation does arise. Among other things, motor carriers and other logistics companies should take care to embrace the integrity of their business-to-business relationships with owner-operators. Owner-operators are small business owners who sell capacity—trucks and driving services. Transportation companies should aim to purchase such capacity with the most entrepreneurial segment of owner-operators (i.e., those focused on their own business growth). To identify owner-operators within that segment, transportation companies may wish to focus on those that operate as formal business entities and/or offer to furnish multiple trucks with drivers. Transportation companies may also undertake multiple initiatives to generate evidence of owner-operator business-decision making and the potential for profit or loss owner-operators enjoy. **CLDA**



SUPPLY CHAIN TRENDS

That Will Shape the Industry in 2017

By Andrea Obston, Director of Public Relations, CLDA



The escalating growth of e-commerce, rising consumer expectations, the emergence of same-day distribution and verticals that will grow and shrink. All of these will shape the way those in the customized logistics and delivery industry do business in 2017.

CLDA Magazine culled these forecasts from the sessions at the PARCEL Forum in September and through interviews with top industry insiders.

Here's a peak at the factors that we expect will impact our business in the coming year:

...e-commerce has been growing at 14 percent per year.

The rapid growth of e-commerce & m-commerce

Not surprisingly, two of the key trends mentioned at the conference and by industry insiders were the continued expansion of e-commerce and the rise of m-commerce (mobile commerce).

PARCEL Forum speaker Gerry Mercure of Dynamex told the overflow crowd at his session that e-commerce has been growing at 14 percent per year. He expects that trend to accelerate in 2017. "This segment is here to stay and it promises to be a bigger component of what we do," he said. "It will cause a shift in the landscape of final mile."

He pointed out that final mile was stable for many years because historically it was B2B. E-commerce has changed all that. "E-commerce has shifted things. As a result, B2C is becoming a bigger component of what we do and that changes things," he said. "In B2B it's easy to identify who your customer is: the shipper. But, with B2C you have two customers: the shipper and the end user. It's the consumers' expectations that are dictating shippers' requirements. Consumers expect fast and free. With B2B, it's relationship-focused. With B2C, it's more about execution. To meet consumers' expectations you have to execute consistently. With B2B, it's more planned and logical. With B2C, the consumer's decision is more emotional. It's based on what they want. We think of this as consumer-driven logistics."

He then talked about m-commerce, the mobile device version of e-commerce. "Mobile devices will be raising consumer expectations even higher," he said. "M-commerce is what Millennials, especially, want to be able to do. They want to order something on their phones, get it from anywhere in the world and have it delivered wherever they are. Millennials value their time differently. They aren't content to wait for a package at the office when they want to leave to make it to their son's softball game. They expect to be able to change the destination of that package while it's in transit so it meets them at the softball field. And they think they should be able to make that change in destination from their mobile devices."

Rising consumer expectations in the final mile

The rise of e-commerce has shifted the power to the consumer. Players like Amazon and Wayfair have raised consumers' expectations of the final mile and given them that power.

"Today's final-mile distribution model looks like this: line-haul and shuttles come from the distribution center into cross dock and from there to the consumer. And those destinations are largely residential," said Mercure. "Or it could involve picking up at multiple retail locations and shuttling it to cross dock distribution centers and then going out on distribution routes to the end consumer."

Today's final mile is designed to meet consumers' rising expectations. "And once expectations have been created we can't go back," he said. He pointed out the most obvious consumer expectation that carriers must respond to: end-to-end visibility of the shipment. "The big online retailers and the big delivery providers have set that expectation high. And when it's met, it's a more positive experience for the customer." LSO's Moyer agrees: "Full supply chain visibility is a key expectation from the customer. They expect to know when the package is in transit; when it hits their city and when it's at their door."

Industry experts, like Jason Burns, Sr, of QCS Logistics look to the continuing trend toward providing retail home delivery at cost effective rates as another key consumer expectation that must be met. "Retail home delivery will continue to explode in 2017 and carriers need to find a viable solution to fully service this vertical or completely stay away from it. There's really no in-between," he said.

Reverse logistics is another process that delivery companies have to master in 2017. "Zappos kick started this one," pointed out Moyer. "Their customers order several pairs of shoes; figure out which pair fits and then send the other two back. The cost of handling this reverse logistics process is significant for manufacturers and retailers and we're going to have to figure out how to make this work cost-effectively all around."

The rise of e-commerce has shifted the power to the consumer.



Emergence of same-day distribution

Shippers are offering same-day in response to consumer demands according to Gerry Mercure. “They are insisting upon faster delivery options and they still expect a consistent delivery experience. Amazon, Google, Jet.com and others have utilized same-day distribution to reduce order-to-delivery time, gaining them a strategic and competitive advantage.”

He offered these staggering statistics:

- 40 percent of online shoppers indicate they have abandoned their shopping cart because of an issue with the estimated delivery date.
- Four in 10 US shoppers said they would use same-day delivery if they didn't have time to go to the store
- One in four shoppers said they would consider abandoning an online shopping cart if same-day delivery was not an option.

“The consumer’s mantra is, ‘I need it now. I want it now.’ That lends itself to a more on-demand distribution model,” pointed out Mercure.

“We used to have the push model for delivery,” said Moyer. “You ordered something and you got it in four to five days because the supply chain was telling you that’s when it would get it to you. Now, consumers are pulling. Their demands are shaping the delivery options we have to provide. We must adjust our business models to the way the consumer is acting.”

Verticals to Grow. Verticals to Shrink

Rounding out our look into the trends that will shape 2017, we asked our industry experts what verticals they expected to grow in 2017. Here are some of their responses:

- Healthcare, including the delivery of healthcare supplies to the home. This will continue to be fueled by the aging of the population, according

to three of our experts: Jason Burns, Chuck Moyer and Mark Cossack of Priority Courier Experts. They expect its impact to last way beyond 2017 as the Baby Boomers live longer lives.

- Food – Jason Burns forecasted significant growth for this sector which includes deliveries of any type of food products, especially perishables that need to stay fresh and require temperature controlled transportation to retailers, convenience stores, grocery stores, schools and restaurants.

And what verticals do our experts expect to shrink in 2017?

- Moving paper and banking, according to Ben Kaplan of Rightaway Delivery
- On-demand, according to CLDA President John Benko of Pace Runners.
- Auto parts, according to Chuck Moyer. He explains it this way: “Over the last eight to 10 years vehicles are being made better with longer warranties and can only be serviced by a dealer or professional mechanic. This reduces the need for individuals needing auto parts. The large dealers and/ parts houses use their own fleets.”

Advice for 2017 Success

As we look toward 2017, we asked our experts to conclude their look at the coming year with advice for those in the industry. Here is what they shared with us:

- “Know your strengths and focus your resources where they will provide your best opportunity for success,” Jason Burns.
- “Don’t have all your eggs in one basket! Diversify!!!” Ben Kaplan.
- “Don’t get caught thinking about what worked yesterday. Things are changing faster than ever and everyone must adjust to remain relevant,” Chuck Moyer
- “Make sure that you advocate both politically and legally for your industry. Do not be afraid to speak up and support the business and labor model of your choosing,” Mark Cossack.
- “Keep your ear to the ground to best understand how and where to position yourself to take advantage of changes in our industry. Engage with the CLDA!” John Benko. **CLDA**

We must adjust our business models to the way the consumer is acting.



IS YOUR COMPANY ON SOLID GROUND?

Shaky software decisions could bring things tumbling down.

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Visibility & Technology

By Andrea Obston, Director of Public Relations, CLDA

With that advice, CLDA Board Member Mark Cossack opened the PARCEL Forum session on technology trends. He outlined the panel's main point this way: "With the right use of technology, carriers can meet customers' demands and, at the same time, operate more effectively."

Panelists Artur Zgoda and Robert Regnier brought their own, unique perspective to these issues.

Zgoda is the Director of Supply Chain IT Solutions for Siemens Postal, Parcel & Airport Logistics, LLC. For over 30 years, Siemens has innovated and deployed automated material handling solutions. They have installed more than 6,000 logistics systems worldwide within the parcel and integrated air cargo solutions. Siemens acquired the German company AXIT in 2015. Running AXIT's cloud-based logistics platform enables customers to create a digital supply chain. AXIT has more than 16 years of experience in this area.

Regnier is the Director of Technology at Priority Logistics, Inc. The company provides traditional brokerage services, but specializes in customer specific pricing services with LTL carriers. Priority's niche is providing modern cloud-based systems to run the pricing processes that meet Sarbanes-Oxley standards of controls to ensure a customer's overall freight spend is accounted for properly.

"You need to evolve your business to get more supply chain visible to your customers," advised Regnier. "The profitability of your customers hinges on the performance of their supply chain. And if we can be part of making that supply chain more effective and more visible, we can be real contributors to that profitability."

Regnier pointed out that Amazon has raised the performance bar when it comes to what shippers need to meet their customers' expectations. "Shippers are getting pressure from their buyers to deliver an Amazon-like experience," he said. "Amazon customers know they can go to the site seven days a week and



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CARRIER"**

their purchases will just 'show up' at their doorstep. We have to be a part of helping shippers measure up to that standard. Because shippers are being driven by that standard, we have to respond."

He urged carriers to push their software vendors to develop systems that help them answer shippers' needs. "You want your software vendors to work with you on systems that can be easily customized to your needs and the needs of your clients," he said. "It should be easy for you to a 'citizen developer' with your software; to make changes on the fly that your customers demand. "

It's a two-way street. Software vendors also need to suggest changes to carriers based on what they see in the marketplace. "If your software developer isn't pushing you to change, change vendors," Regnier urged. "Try different things. Success is found in failure. Little steps lead to big changes. Fear of change keeps people from changing. Don't let that fear be a barrier to change."

Building a Platform with Productivity in Mind

Artur Zgoda presented a case study that dramatized the role that a visible supply chain plays in one company's productivity. "Visibility means all parties that are part of a supply chain have access to one system, no matter how far-flung the players are," Zgoda said. "When you develop a way for everyone in the supply chain to access a single data base all of them can see what's happening in your supply chain. It's especially useful when things go wrong. It makes them easier to correct." Zgoda pointed to one of Siemens' success stories where they were able to optimize the company's supply chain resulting in a saving of over \$1.7 million.

"The company is one of the world's leading engine manufactures," he

said, "They operate in over 100 countries and their suppliers and logistics providers are spread globally. They utilize just-in-time and just-in-sequence production. But the systems weren't keeping up. In-coming deliveries were being bottlenecked at the warehouse. Often, they were stuck there waiting for manual processing and labeling. Originally they thought they needed to build another warehouse. Before going ahead, they decided to look for a new solution: engaging in a supply chain visibility program. That's where we came in."

The solution AXIT created gave the company an IT platform that integrated suppliers and forwarders all over the world through a cloud-based interface. "It also provided the transparency and data consistency for all participants that they needed," he said. "Delivery statuses and schedules became visible and that reduced processing times. That, in turn, led to increased flow capacities at the stock receipt. This IT solution not only simplified their processes, it also adapted to their in-house SAP system. This avoided manual bookings throughout the whole process. It was all about the integration of forwarders, suppliers and service providers all over the world, giving them transparency in the supply chain. The company's controllers, suppliers and forwarders all had access to the same information. This helped with the reporting of all delivery notes including delivery statuses, labeling of outstanding deliveries and the support of suppliers as they plan deliveries. Through a variety of filters, those in the company can now view and download data as they need it. The data exchange between all process participants of the supply chain has improved. Today, their more than 1,200 users transact over 70,000 shipments using this logistics platform every year. And their 250+ suppliers and logistic partners are integrated into this platform. Since the system has gone into place, the company's



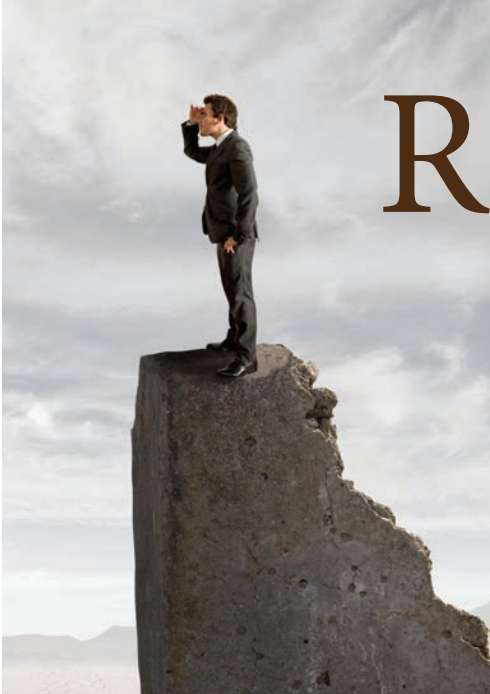
*YOU NEED TO
EVOLVE YOUR
BUSINESS TO
GET MORE
VISIBLE
TO YOUR
CUSTOMERS.*

stock receipt has increased by 40 percent. By automating process flow their reliability and delivery quality has been enhanced."

What lessons can carriers take from this case study? Zgoda pointed out five:

- Having one cloud-based system provides visibility in the supply chain and allows for better coordination between suppliers and carriers
- Digitizing data allows a company to see what's working
- Standardizing processes allows a company to work faster
- Introducing systems that optimize supply chains saves money
- Installing systems that facilitate fast and easy information exchange reduces complexity and communication expenditures in the supply chain.

In the end, it all comes down to people issues; not a technology issues. Carriers need to respond to customers' needs by using the technology that helps them communicate with people. Regnier summarized this this way: "You need to evolve your business to get more visible to your customers."



Reinventing your business

for 2017's Final Mile and Beyond

By Andrea Obston, Director of Public Relations, CLDA

How your company looks today will be very different tomorrow. That was the message from panelists at the PARCEL Forum session called "Reinventing Your Business in Today's Final Mile." A shipper, a successful carrier and a software company executive from a company that serves the industry shared their observations on ways to keep your company successful and profitable in 2017 and beyond.

"How people buy is changing and that means the expectations of the customer are also changing," said panel moderator Kelly Picard, CEO of Hackbarth Delivery Services, a company that's seen and adapted to its share of changes since its founding in 1975.

Shipper Christopher Sirois concurred with Picard's opening remarks: "The consumer is driving the way the carrier is delivering our product." Sirois is a Senior Consultant in Cardinal Health's Pharma Transportation Division. "Our customers - which include retail pharmacies, hospitals, surgery centers and home health providers - want more. And we all need to ask ourselves what we need to do to make sure we meet those desires. The key to that is technology. Gone are the days when all carriers needed to do was to answer the question 'Did it get there?' Today, your customers expect carriers to have the technology that allows them to tell the shippers where the delivery is, if it met their demands for specific times of pickup and delivery and who signed for it. Those in your industry need to be able to handle EDI; to take all the data and integrate it with the customer's systems. And you need to be able to reroute orders when things change. Customers are looking for carriers that can create IT changes within their own systems to adapt to those needs."

What Can I See?

"Execution and the accountability of everything. Those are the trends that will continue shaping this industry moving forward," according to panelist Patrick Scardilli, VP Sales and Marketing for Key Software Systems. "Customers are always going to be asking, 'What can I see?' and 'Can I hold you (the carrier) accountable for it?'"

Pictures taken at the point of delivery will be increasingly important in 2017 and beyond, he said. "Picture attachments at pickup, delivery and round-trip help reduce claims on the e-commerce side. They also do a great job of helping to document the time of pickup. They are not only a great tool to meet the customers' demands for more visibility; they can also help carriers on the operations side. For example, suppose you have a route with a number of specific pickup times for blood samples and your driver routinely arrives early for that pick-up. Even if it's only five minutes, that can have a dramatic impact on the lab. Labs depend on that 3:00 pickup time. If you show up five minutes early, they won't get all the samples into the box they need to and those samples won't get to the lab that day. By taking a picture of the lock box contents at time of pickup, the timestamp of the picture can help to prove that the driver was there at 3:00 PM and not 2:55 PM. This level of accountability helps to create a foundation of reliability and trust with the lab or any customer for that matter, opening the doors for more opportunity. ."

Mobile Data

In this business, it's always been about on-time performance. And with smartphones and GPS carriers have great tools to measure and document it. "Customers want this," said Sirois. "These tools allow you to know when and where the recipient was when they took that delivery. Shippers look for preferred providers who can let them see the ETAs come in. They like providers who can alert them to ETA changes. And they want to know how often the carrier sends out these alerts. When all that data can be arrayed in a dashboard it gives shippers measurements of the KPIs that are important to them."

Trends, Opportunities and Threats

Sirois forecasted that 2017 would be the year when much of this data will be delivered to shippers through mobile apps. "Mobile apps are no longer just for drivers," he said. "They will become an even more important tool to enhance visibility for your customers. Customers are mobile – so your customer experience has to meet and exceed their expectations delivering KPIs that way. And with the cloud, it's increasingly easier to get data off your servers and to the customers' mobile devices."

"Not so long ago the only mobile data we employed was through those old rugged devices," Picard reminded the audience. "We're shifting from those old expensive scanners to smart phones. They do the same job and they meet the increasing demands for visibility that e-commerce has opened up."

Scardilli talked about how technology will help carriers respond to shippers' escalating demands while also helping them protect themselves in the explosive e-commerce space in 2017. "If a driver can take a picture of the item as it's being delivered and/or assembled carriers can protect themselves and reduce claims that often occur in that space. Drivers can capture pictures of the hallway, stairwell and carpeting, along with a picture of the furniture that required assembly. The pictures provide accurate records and proof that no damage occurred to the home of the consumer or the product they purchased. If Carriers are experiencing a high number of claims, they need to work with their software providers to find solutions to those challenges. Software providers in turn, also need to work closely with their customers to create solutions that deliver the information their customers require, while protecting their business at the same time."

"We like that the evolution of technology has allowed us to take those pictures so we can determine whether damage is our fault," added Picard. She also looked forward to the time when a carrier could get pictures of a residential delivery destination before the driver heads out so they can anticipate any unique challenges the site poses.

Scardilli concluded his remarks by covering important trends, opportunities and threats that those in the industry must be mindful of.

He grouped the trends under three categories: visibility, accountability and options.

Visibility

- Picture attachments
- GPS on all events
- Pre-alert texts with pictures of drivers
- ETAs and alerts based on adjusted ETAs
- Real-time API calls instead of standard EDI
- Dashboard reporting
- Mobile apps.

Accountability

- Driver questions
- Consignee surveys.

Options

- Responsive design on all applications
- Software on new platforms that provide data that is cloud based, tablet friendly and responsive to cross browser accessibility
- Migration from expensive rugged equipment to tablets and smartphones.

He also looked to the future and discussed some of the opportunities that those in the industry need to consider:

- Sharing economy
- New ways to improve processes to meet and exceed expectations
- Improved route optimization capabilities
- Technology that helps reduce claims and expose pitfalls
- Simple on-boarding processes for drivers that minimizes risk
- Annual reviews of employees and drivers that are KPI driven.

Among the threats he warned those in the industry to be mindful of in 2017 were:

- Lack of education, communication and/or execution
- Rising shipper expectations that must be understood, measured and accounted for in resource allocation
- Inadequate training for drivers in process, application, implementation
- Technology with the potential to expose weakness in on-time and scanning percentages and POD times.

Overall, the panel saw good things for the industry in 2017 and beyond as long as those in it stayed current on trends, were willing to change and keep their companies nimble enough to respond to shippers' constantly changing expectations.

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Relay Express takes the Gamble out of shipping trade show material to Las Vegas!

Fairfield, Ohio - Relay Express Inc. has again saved the day. Accent on Service!

Accent on Cincinnati is a special events planning company in business since the early 1970's. Accent on Cincinnati has used Relay Express for it's courier needs for years. They had a unique delivery the last week of August.

Accent on Cincinnati is a special events planning company in business since the early 1970's. Last week was for a national sales meeting for a Fortune 100 company involving about 500 employees representing brands they manufacture in the fabric care industry. For months Accent on Cincinnati has been accumulating material from their customer and vendors to consolidate and ship out to Las Vegas for this meeting. They sent a tractor trailer and two 26 foot box trucks last week full of show material and promotional/give-away items. Some material that arrived late had to then be expedited. Greg Lemming from Accent on Cincinnati tendered about 1500 pounds of material to Relay Express for direct expedite to the event site at the Bellagio in Las Vegas. They felt to air freight the material would be too costly as much of it was bulky and would have incurred additional dimensional weight pricing for air transportation. Independent Contractor drivers Jerry Walters and his wife Lisa Sweet teamed up and picked this material up on 8/24 and delivered it on Saturday morning 8/27 before the customer's requested 12:00 noon deadline.

Jerry Walters, the contractor who took this delivery to Vegas, along with his wife Lisa Sweet, enjoyed their trip. Jerry's from the Midwest and has not done any deliveries to the west coast. He was caught off guard when driving through

the Rockies, stating that at one point due to high altitude it seemed as if his van wouldn't move an inch. He had the gas pedal floored and was barely moving due to the weight of the product and the altitude. That's something we never have to worry about here in Cincinnati, so it was a fun story to hear. He did say that the trip back went much faster considering his van was considerably lighter after dropping off the freight. While in Vegas they were able to do some sight-seeing and loved having the opportunity to do a long haul delivery that allowed them to see the country along the way. What a way to earn a living!

This is the second-longest delivery in the 30-year history of Relay Express. Accent on Cincinnati was extremely impressed with the service and the drivers were appreciative of the opportunity. If only every day in business was this rewarding.

Relay Express is a 30-year old Same Day Delivery company that specializes in local on demand immediate deliveries, scheduled route solutions, expedited out of town shipping and logistical warehousing with physical locations in Ohio, Kentucky, Indiana, Illinois, Michigan, Missouri, Pennsylvania, and New York that provide service to the Mid-West.

Contact: Jim Bernecker - (800) 860-2555 - jimm@relayexpress.com for more information about Relay Express, Inc. **CLDA**

Jerry and Lisa included a few pictures from their epic delivery.



The Scopelitis Law Firm Launches New Consulting Business: Scopelitis Transportation Consulting, LLC

Former American Trucking Associations Executive Vice President & Chief of National Advocacy, David J. Osiecki, To Lead New Washington, DC-based Consulting Venture

Scopelitis, Garvin, Light, Hanson & Feary, PC, the full-service national transportation law firm based in Indianapolis, announced today its latest expansion, the creation of a new, wholly-owned subsidiary, Scopelitis Transportation Consulting, LLC (“STC”). STC is a business consulting venture focusing on providing advisory services and implementation programs to companies in the transportation industry.

The Scopelitis Law Firm appointed David J. “Dave” Osiecki, motor carrier industry expert and recent American Trucking Associations Executive Vice President, as President & CEO of STC.

Osiecki will lead STC and will focus its initial service offerings on Electronic Logging Device training and implementation support, Independent Contractor training and advice for motor carriers using or considering using the IC business model, regulatory training on new rules prohibiting driver coercion, and tax savings plans involving equipment sales and purchases. STC will also make available various survey reports and white papers as a means of providing clients greater access to information impacting their daily operation, while also providing STC a market advantage powered by information gathered by STC and its parent firm.

“Dave has a depth of transportation-industry knowledge and experience that many of the Firm’s clients already value,” Greg Feary said in announcing Osiecki’s appointment. Feary is President and Managing Partner of the Scopelitis Law Firm.

“Bringing Dave aboard seemed a natural progression for him in a respected career and is consistent with the Scopelitis Law Firm’s mission to offer a wide-ranging menu of services across all transportation segments,” Feary said. “STC should open doors to allow more access to an even broader base of industry participants beyond legal solutions to transportation-business problems. STC will take over where legal advice leaves off to provide implementation of solutions.”

Prior to his 20 successful years at ATA, Osiecki spent nearly 10 years in federal service with the Federal Highway Administration’s Office of Motor Carriers, the predecessor organization to the Federal Motor Carrier Safety Administration.

Osiecki earned his B.S. degree at The Pennsylvania State University in University Park, Pennsylvania, and his M.S. degree at George Mason University in Fairfax, Virginia.

STC’s office in Washington, DC, will be located at 1850 M Street NW, Suite 280. Osiecki can be reached at 202-728-2850, or at dosiecki@scopelitisconsulting.com.

Scopelitis Transportation Consulting’s parent, Scopelitis, Garvin, Light, Hanson & Feary, P.C, was founded in Indianapolis in 1978. The Firm initiated its practice in trucking regulatory law and quickly expanded its practice to become a full-service transportation law firm. Today, the Scopelitis Law Firm serves more than 5,000 transportation-related companies from its 12 offices nationwide.

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“Dave has a depth of transportation-industry knowledge and experience that many of the Firm’s clients already value.”

Remembering Robert S. Carlson

Robert S. Carlson, President of Dash Courier Service in Durham, NC, passed away on December 9 after a courageous battle with cancer. Bob was loved and respected by all who knew him and he will be dearly missed. As President of Dash Courier Service, Bob led the company to grow to service both Carolinas with branches in Raleigh & Greensboro in North Carolina and Greenville and Charleston in South Carolina. Today the company has over 100 independent couriers and a staff of more than 25.

Bob loved the courier industry and was known to say he could barely wait to get out of bed every morning to start another day. He believed that everyone had a story and was always excited to listen for as long as someone was willing to share. Bob touched the lives of many with his enthusiasm and optimism.

After attending Brevard College and serving in the US Army, Bob worked in the insurance industry until moving to Atlanta in 1980. There he began his career in the courier industry, first in sales & management with National Courier, then joining Flash Courier Service. In 1989, Flash Courier expanded to Charlotte and Bob helped in sales and management with the new location. Eventually, he moved to Charlotte and was with Flash until the eventual sale to US Delivery and later Corporate Express Delivery Systems. In 1999, Bob partnered with Tim Houck and started Dash Courier Service. Growing up in the Boston area, Bob loved the Boston Red Sox and the New England Patriots. Bob was an avid golfer and an all-around sports enthusiast. Finally settling in Charlotte, he became a true Carolina Panthers fan but still loved his Red Sox & Patriots.

His biggest source of pride was his family. He was married to his wife Joan for 20 years and had a daughter and granddaughter. He is also survived by two sisters and a brother and many nieces & nephews as well as grandnieces and grandnephews.

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New President at Relay Express

Jim Bernecker was recently promoted by the board of directors to President and Chief Sales Officer of Relay Express, Inc.

Bernecker was previously Chief Operating Officer of the company. He started with Relay in 1998 as a Dayton area sales rep, moving up to Cincinnati Ops Supervisor and then on to Cincinnati Branch Manager.

Under Bernecker's leadership the company has been adding more verticals to its product offerings. These included mail-injection, parts storage and distribution, pharma and medical deliveries, and retail pool distribution. In 2016, these additional services were part of the company's 17 percent growth in sales.

"I am very proud of Jim and his accomplishments at Relay Express," says Matt Seiter, CEO. "He does not accept mediocrity. He is always learning to improve, not only Relay, but the people around him. He will make a great president and leader for Relay Express."

Relay Express has offices and operations in 13 cities along with cross docking capabilities in additional cities.

About Relay Express

Relay Express is a 30-year old same-day delivery company that specializes in local on-demand immediate deliveries, scheduled route solutions, expedited out of town shipping and logistical warehousing with physical locations in Ohio, Georgia, Indiana, Illinois, Kentucky, Michigan, Missouri, New York, Pennsylvania, and Tennessee that provide service to the Mid-West. For more information see: www.relayexpress.com.

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"I am very proud of Jim and his accomplishments at Relay Express."

“It would be a lot harder to start my business today; there is more red tape than ever.”

– Aaron Hageman, Owner of Delivery Drivers, Inc.



3 Reasons Red Tape Can Hinder Your Company's Growth.

What is Red Tape?

By definition*, Red Tape is excessive formality and routine required before official action can be taken.

In business terms, Red Tape has an extremely negative connotation in regards to rules set on companies by the government which are considered by most to be redundant or bureaucratic and hinder (or in some cases will prevent) the company's growth.

With so many rules and regulations to keep up with, small businesses and independent contractors are finding themselves in difficult situations that include everything from time wasted to rising costs. These setbacks can prove to be huge when every dollar is necessary for the future growth of the business.

Next to taxes, attaining working capital and hiring, Red Tape is one of many major challenges that small businesses face today. There are 3 main issues with the current regulations that most businesses agree on:

1. Understanding the requirements of the regulation and ensuring the company is compliant.

Having to utilize your time to understand these new regulations rather than focusing on ways to grow the business slows the flow of money into the business. On average, most companies spend 200 hours per year to comply with government regulations, which averages out to about 16 hours each month. Imagine what could be accomplished in that amount of time.

2. The way companies learn about new rules in the industry.

Most companies find out about these regulations from consultants or advisors. Sometimes these consultants or advisors are internal to the organization but in some cases, they are external. Many companies utilize trade associations for their information. Both are great sources to make sure you're in compliance with the "latest and greatest." However, both options cost money. It's the responsibility of the company to stay up to date with the rules so spending that extra money is essential in staying compliant.

3. The cost of the regulations themselves.

Almost all regulations come with higher taxes and fees which are absorbed by the company. In 2014, the economic wide cost of federal regulations reached a staggering \$1.88 trillion dollars**. When divided among the 28 million small businesses in the U.S, a little more than \$67,000 was taken from the growth of each business.

The landscape of today's regulations makes it more difficult than ever to start a business or operate as an independent contractor. With all the challenges facing new business owners, Red Tape is the last thing you'd want to add to your plate.

We understand everything Red Tape entails and that's why our programs were developed to provide support to companies and independent contractors who can now focus their time on growing their business. Our ability to stay on the forefront of regulation change has Delivery Drivers, Inc. recognized as one of the top 3rd party full-time human resources companies in the United States for the past 20 years. We pride ourselves on our innate knowledge these nuances and look forward to helping many more businesses in the future. [CLDA](#)



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STATE ASSOCIATION UPDATES

New York Delivery Association

On December 6, 2016, New York State Messenger and Courier Association President Mark Chiusano, Immediate Past President Chris MacKrell, and Government Affairs Committee Member Bobby Logan attended the Customized Logistics and Delivery Association Steering Committee Annual Meeting to discuss the industries approach for legislation and to create a strategic plan for 2017 in Washington, DC. It was an encouraging meeting and the Chairman of Prime Policy, Charlie Black, gave a lively presentation on what to expect with the new Federal Administration.

On December 15, 2016, the New York State Messenger & Courier Association hosted its Annual Holiday Networking Party at Lexington’s Cocktail and Liquor Bar in New York City. The event was very well attended, thanks to the attendance of the members, guests, sponsors and supporters. Holiday Networking Party attendees participated in a holiday raffle and the donations that were received were submitted to Career Gear, a non-profit organization that promotes the economic independence of low-income men by providing financial literacy training, a network of support, professional attire, career development tools, job-readiness, and essential life skills training that help men enter the workforce, stay employed, and become role models and mentors to their families and communities.

The New York State Messenger and Courier Association will hold its next meeting on February 23, 2017, at Arno’s Restaurant, located at 141 West 38th Street, New York, NY 10018.

CLDA

*Scott Pastrok,
President and CEO
of Prime Policy;
Bobby Logan,
NYSMCA Government
Affairs Committee
Member;
Charlie Black,
Chairman of
Prime Policy;
Chris MacKrell,
NYSMCA Immediate
Past President;
Mark Chiusano,
NYSMCA President
at the CLDA
Steering Committee
Annual Meeting*





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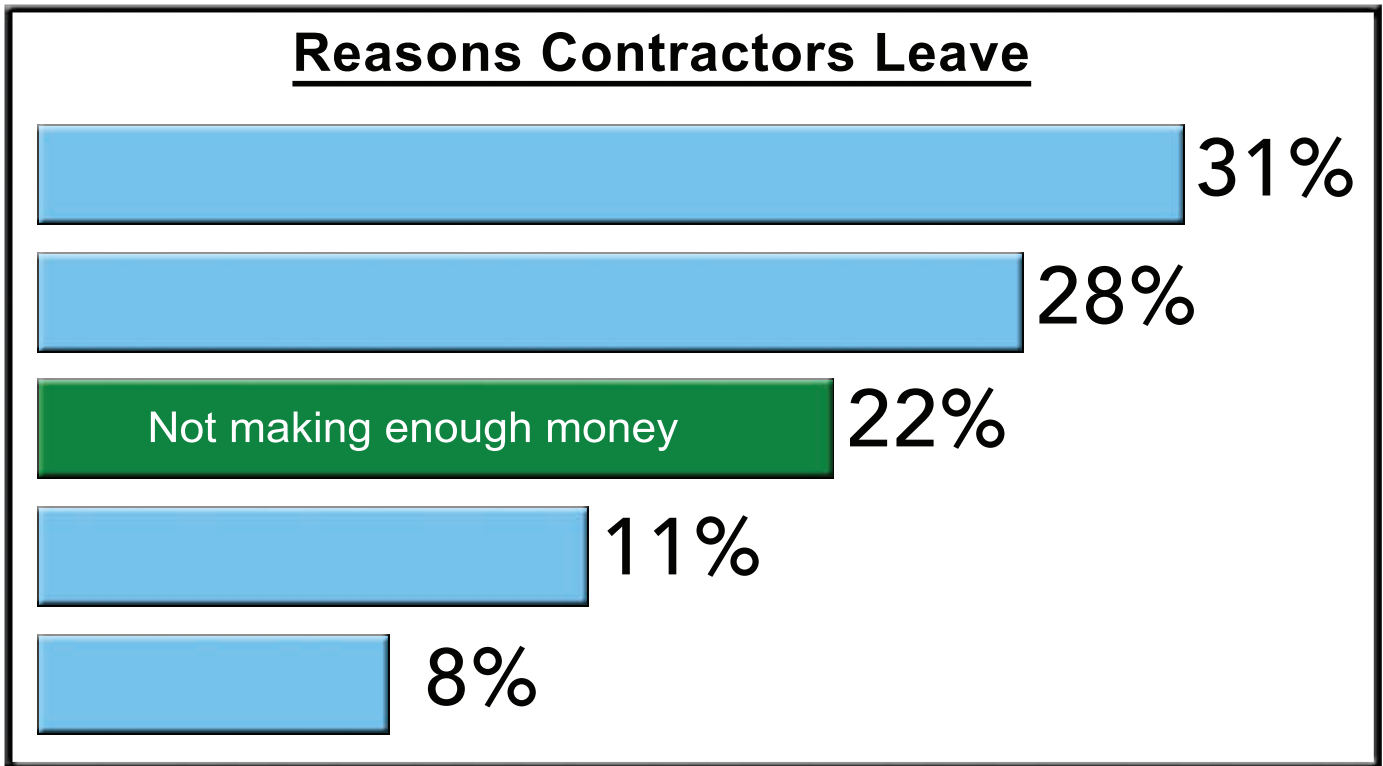
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