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Monthly Amazon Prime Price Rises

Steadily rising Amazon Prime member counts lead to increasing purchases, which lead to growing delivery costs. Now that growth has produced an approximately 20% increase in the price for a monthly Prime membership. The month-to-month

Prime membership has moved from \$10.99 to \$12.99. Amazon's website already lists the new monthly price. On an annualized basis, Prime's monthly rate is more than 50% higher than its annual membership rate of \$99.

Amazon Expands Free Shipping for Small Items

Amazon's mobile app and website now offer a curated "\$10 and Under" section, with small, inexpensive items in select categories such as women's, men's, electronics, gifts, home and household, and watches. Amazon has sweetened the offer of its "\$10 and Under" items by making free shipping available on such items to all Amazon customers—Prime and non-Prime.

Retail Dive analyzed the curated offerings and found "\$10 and Under" designed to "highlight products in Amazon's Fulfillment by Amazon Small and Light Program and . . . compete with low-cost offerings

from Walmart and Wish, as *TechCrunch* notes."

Walmart offers free shipping on all orders over \$50. "That prompted Amazon to also lower its free shipping threshold for non-Prime members (who enjoy free two-day shipping on many items but pay \$99 each year for that, along with a slew of other perks). In fact, Amazon, after raising that threshold to \$50 the year before, slashed it twice, first to \$35 just after Walmart's move, then to \$25 a few months later," *Retail Dive* explains. <https://www.retaildive.com/news/amazon-shipping-cheap-goods-free-raising-monthly-prime-rate/515133/>.

UPS and FedEx's On-Time Holiday Shipping

Lots of people want to be home for the holidays, but, even when they want to be some other place, they want their gifts to be there. Happily, ShipMatrix Inc. reports the on-time ground delivery rate for United Parcel Service, Inc. (UPS) was 99.1% as of Dec. 23, while FedEx Corp. (FedEx) reached 98.7%. Both achieved rates in the 90th percentile for on-time delivery of air shipments.

There were some seasonal snafus. Following Black Friday, UPS reported package delivery volume required some adjustments to work schedules. In response, the shipping company restructured some operations and extended the usual workweek. It was

all-hands-on-deck as even corporate workers loaded trucks and delivered packages. <https://www.bloomberg.com/news/articles/2017-12-27/ups-and-fedex-handle-record-holiday-surge-with-minimal-delays>.

UPS added an additional 95,000 workers for the 2017 holiday season, while FedEx brought in about 50,000 during 2017. Despite this growth in their workforces, each had to respond to unanticipated ecommerce sector growth. Ecommerce predictions broke the \$100 billion dollar mark before the season's end. <https://www.supplychaindive.com/news/ups-usps-fedex-holiday-delivery-late-shipments/514862/>.

Supreme Court to Decide Sales Tax Issue

The Supreme Court will consider whether or not to require online sellers to collect sales tax even when the online seller has no operations in the state. The Court also stated its openness to having Congress pass reform that would address this critical interstate commerce issue.

South Dakota Attorney General Marty Jackley (R) appealed a decision of the South Dakota Supreme Court in *State of South Dakota v. Wayfair*,

Overstock and Newegg. The state seeks to reverse a long-standing precedent that requires physical-presence before a state can subject an out-of-state seller to the duty to collect and remit sales taxes. The precedent has applied for twenty-five years since the Court decided the case of *Quill Corp v. North Dakota*.

Retailers have long objected to the *Quill* decision because, as a practical matter, unless and until the physi-

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Short Takes

Amazon has reduced a list of 238 potential North American cities to host its second headquarters to twenty, according to a recent press release. Still in the running are in the U.S.: Atlanta; Austin, TX; Boston; Chicago; Columbus, OH; Dallas; Denver; Indianapolis; Los Angeles; Miami; Montgomery County, MD; Nashville, TN; Newark, NJ; New York City; Northern Virginia, VA; Philadelphia; Pittsburgh; Raleigh, NC; and Washington, D.C. In Canada, Toronto, ON made the list.

Amazon expects to make a final decision this year.

Amazon specified three criteria in particular: (1) proximity to a large college graduate employment pool; (2) availability of mass transit; and (3) proximity to an international airport.

Read more about Amazon's options and some cities' shortcomings at <https://www.supplychaindive.com/news/amazon-unveils-top-20-contenders-for-hq2/515053/>.

Amazon bought Whole Foods in 2016, to aid it in expanding its grocery distribution network and to bring improved profitability to its target, where high quality merchandise meant high costs as well. Now Amazon has begun making changes at Whole Foods and some of them threaten the loyalty of Whole Foods' customers.

One aspect of Whole Foods operations that is changing is the availability of locally produced products on store shelves. Retail strategy firm Daymon, and Daymon's subsidiary SAS Retail Services, will soon begin checking shelf inventory, handling in-store sampling, and creating merchandising displays.

Merchandising at Whole Foods is about to become more expensive—in some cases so much more expensive that some local suppliers could be priced out. Vendors selling more than \$300,000 in grocery items through Whole Foods will pay Whole Foods a 3% discount, 5% for beauty/health retailers.

Additionally, Whole Foods will charge suppliers \$110 to run a four-hour sampling session, according to the *Washington Post*. Prior to this announcement, retailers handled their own inventory, merchandising, and sampling, with no imposed fees.

This development is part of a plan to centralize buying operations and save on costs. <https://www.supplychaindive.com/news/amazon-whole-foods-identity-culture-change-inventory-management/515293/>.

Amazon Go, the company's first brick-and-mortar convenience store, opened to the public last week on the ground floor of Amazon's new headquarters on Seventh Avenue in Seattle. The store looks like a 7-Eleven with a Pret a Manger sandwich shop makeover.

Amazon Go features a selection of salads, sandwiches, and beverages, as well as ready-to-eat meals for breakfast, lunch, and dinner. Expect to see Whole Foods brand chips, cookies, and nuts with the 365 Everyday Value label, too. A limited supply of beer and wine rounds out the inventory.

Amazon Go also offers a cashierless checkout. New technology will track purchases and automatically charge the price at a customer's exit. No lines, no waiting. Staff will be present to greet, check I.D. for alcohol, and stock.

Customers will need to load a new app on their phones and scan it at a high-tech turnstile upon entering the store.

Purchases are tracked by cameras and shelf sensors that track the depth of remaining inventory.

"The real tests, however, will come during normal shopping days when, say, the store gets crowded, or an item is removed from one shelf and placed on another, or two people who have similar appearances are shopping in close proximity to each other," reports *Recode*. <https://www.recode.net/2018/1/21/16914188/amazon-go-grocery-convenience-store-opening-seattle-dilip-kumar>.

Supreme Court to Decide Sales Tax Issue... (cont. from page 1)

cal-presence test is overruled, a state's residents will tend to buy online and not self-report their purchases. Out-of-state sellers also have no incentive to report sales as the current rule provides them a price advantage over in-state sellers. Matthew Shay, the head of the National Retail Federation (the NRF), found the prospect of Supreme Court review "encouraging." "Congress should not sit on the sidelines as the Supreme Court considers this case. It's time to pass legislation to settle this critical issue once and for all. Even if the court rules in favor of a modern sales tax policy, legislation will still be needed to spell out how that would work," he said in a statement.

The retailers' call for action is strongly echoed by state revenue agents who have seen their tax base shrink relative to what it might be if all sales to residents were taxed. The NRF and the Retail Industry Leaders Association, have asked Congress to pass legislation to reform the decision and have watched as the South Dakota case wound its way through state courts.

At one time, it was Amazon.com Inc. that state revenue agents focused enforcement action upon—no longer. Since April 2017 it collects sales tax in all remaining states with a sales or use tax. This has not eliminated the issue.

As explained by one legal analyst: "Large websites

States Sharpen Sales Tax Collection Tools

Forty-five states and the District of Columbia have retail sales taxes they are eager to have online sellers collect and remit. Strategies for testing the limits of the current physical presence test include a number of state reforms focused on imposing the duty to collect and remit on at least those online sellers who market significantly in a state.

- **Marketplaces:** Washington enforces state regulations that require marketplaces with a physical presence in Washington (or annual sales to residents of at least \$10,000) to collect on behalf of third-party sellers who utilize the marketplace's platform. This strategy capitalizes on Amazon-type marketplaces' cooperation with state laws to reach some of the smaller sellers as well.

The marketplace strategy treats the "facilitation of sales" by a marketplace as a sufficient nexus to make the online seller using the marketplace responsible for collecting and remitting the tax. *Practical Ecommerce* explains that included in the facilitation of sales are "directly or indirectly transmitting or otherwise communicating an offer or acceptance between the buyer and seller; owning or operating the infrastructure (electronic or physical) or technology that brings buyers and sellers

avoid sales tax by establishing subsidiaries that are solely responsible for the Internet part of the business model.

"For example, the store that you buy an item from online may be a different legal entity from the corresponding brick and mortar store that is in your local shopping mall. Because that particular online store does not have an actual physical presence within your state, it does not need to charge you sales tax. This is a highly controversial practice that will probably be legislated in the future as many brick and mortar stores that do not have online counterparts are losing sales to the tax-free internet shops. However, this issue becomes even more complicated when the online retailer allows a customer to make returns to a brick and mortar store that is technically a separate legal entity. Consumers will buy an item online that is free from sales tax, but are then able to return those purchased items to brick and mortar stores." <http://smallbusiness.findlaw.com/business-taxes/do-you-have-to-pay-sales-tax-on-internet-purchases.html>.

South Dakota is only one of a number of states that has been more aggressive in its efforts to collect the tax. (See *BMR 01/29/2018, p. 3.*) Now a test case offers the states a possible remedy for their current enforcement and budget woes.

together; providing a virtual currency that buyers can use to purchase products from the seller; or engaging in software development or research and development activities related to the seller's products."

Washington has not attempted to subject to tax collection every online seller associated with a marketplace. Instead, the marketplace must collect and remit once it "conducts any of the following services for the seller: payment processing, fulfillment or storage, listing products for sale, setting prices, branding sales as those of the marketplace, order taking, advertising or promotion, providing customer service, or accepting or assisting with returns or exchanges."

The Washington rules became effective on Jan. 1, 2018. The new tax law gives the marketplace the option of collecting the tax on behalf of online sellers or notifying the customer of the duty to pay the state's use tax. Once the notice is sent the data is transmitted to the state's revenue agents, easing their efforts to collect directly from customers.

- **Affiliate Marketers:** Washington also seeks to collect sales taxes when an in-state "referrer" engages in the marketing to in-state residents. As *Practical*

Ecommerce explains it, “the text is vague. There is little guidance beyond being all-encompassing to include, apparently, any referring entity.” <https://www.practical-ecommerce.com/new-sales-tax-law-targets-market-place-sellers>.

While the term “referrer” may be vague at this time, affiliate marketing is a recognized sales and marketing strategy. *Entrepreneur* defines it as follows: “There are two ways to approach affiliate marketing: You can offer an affiliate program to others or you can sign up to be another business’s affiliate. As the business driving an affiliate program, you’ll pay your affiliates a commission fee for every lead or sale they drive to your website.”

Investopedia defines the relationship in similar terms and provides a rationale for seeing this strategy as a response to Amazon’s compliance with state sales tax laws: “Amazon popularized the practice by creating an affiliate marketing program where websites and bloggers put links to the Amazon page for a product being reviewed or discussed in order to receive advertising fees when a purchase is made. In this sense, affiliate marketing is essentially a pay for performance marketing program where the act of selling a consumer on a product is outsourced across a potentially vast network.”

At the same time, the application of sales tax duties to affiliate sales takes advantage of existing technologies for tracking sales from affiliates. “Affiliate marketing predates the Internet, but it is the world of digital marketing, analytics, and cookies that have made it a billion-dollar industry. A company running an affiliate marketing program can track which links bring in leads and, through internal analytics, see how many leads are converted into sales.” <https://www.investopedia.com/terms/a/affiliate-marketing.asp#ixzz5598tYmL0>.

Unfortunately for the states, affiliate marketing tax strategies have so far produced little tax revenue for states employing them. As Avalara explains: “The laws have been abject failures,” Rebecca Madigan, executive director of the Performance Marketing Association, told

Online Groceries’ Sales Spurt

Online sales of groceries might reach \$100 billion annually by 2025—about 20% of total grocery retail, *Forbes* reports. <https://www.forbes.com/sites/pamdanziger/2018/01/18/online-grocery-sales-to-reach-100-billion-in-2025-amazon-set-to-be-market-share-leader>. Amazon stands to claim the lion’s share of such online grocery sales thanks to its acquisition of Whole Foods in 2017. In the past, U.S. consumers were reluctant to order groceries instead of doing their own shopping. *Supply Chain Dive* says online grocery shopping grew by only 6% from 2014. <https://www.supplychaindive.com/>

Bloomberg BNA. The earliest state to enact a law was New York. It was the first to extend the definition of nexus to include some web-only retailers, notably *Amazon.com*. . . . Although Amazon maintains its affiliate program in New York currently, it has cancelled other affiliate programs in certain states . . . just to avoid having to collect and remit sales taxes in those states.”

In an effort to avoid the obligation to track and report taxes on affiliate sales across the various states with affiliate marketing tax rules, Amazon drafted its affiliate agreement to state: “If at any time following your enrollment in the Program you become a resident of Arkansas, Colorado, Maine, Missouri, or Rhode Island, you will become ineligible to participate in the Program, and this Operating Agreement will automatically terminate, on the date you establish residency in that state. In addition, you must promptly notify us in writing of your Arkansas, Colorado, Maine, Missouri, or Rhode Island residency. . . .” <https://www1.avalara.com/trustfile/en/blog/the-state-of-affiliate-marketing-sales-tax.html>.

Since drafting that language, Amazon has terminated agreements with affiliates on non-uniform terms. If the Supreme Court reverses its long-held view that states lack authority to tax absent physical presence in the state (*see BMR 01/29/2018, p. 1*) or Congress makes legislative reforms, the extent to which online sales will be subject to a collected sales tax will increase significantly. The University of Tennessee in 2012 forecasted states lose \$11 billion on ecommerce sales. <https://www1.avalara.com/trustfile/en/blog/the-latest-on-affiliate-marketing-and-sales-tax-nexus.html>.

To determine whether or not your state has a marketplace or affiliate nexus sales tax rule, check with your accountant or tax advisor or see <http://www.salestaxsupport.com/blogs/issues/internet-tax-ecommerce/amazon-and-other-nexus-expanding-laws-by-state-summary/>.

[news/influencers-roundtable-ecommerce-grocery-hype-disruptor/512306/](https://www1.avalara.com/trustfile/en/blog/news/influencers-roundtable-ecommerce-grocery-hype-disruptor/512306/).

One of the obstacles to online grocery growth has been the challenge of keeping cold foods cold. Absent properly refrigerated vehicles, the delivery of both frozen foods and the selection of produce have proved most problematic. One truck sent to deliver an order composed of room temperature, cold, and frozen items will maintain some items at a temperature that is neither ideal nor stable. <https://www.supplychaindive.com/news/amazon-whole-foods-grocery-sales-e-commerce/>

515193/.

Having ordered numerous items from local grocery stores in northern states, frozen canned sodas and

Mailing List Updates Hold Down Costs

The USPS is set on reducing the waste and delay that results from Undeliverable-as-Addressed (UAA) mail. By some estimates, UAA mail wastes approximately \$1.2 billion dollars of USPS funds annually, a cost that is passed along to consumers and mailers in the form of higher postage rates. These costs arise with respect to the delayed delivery of 2.2 billion mailpieces. In many of these cases, the address is incomplete or incorrect.

About 1.2 billion pieces are returned or discarded. This wastage costs another \$185 million dollars per year.

Despite these figures, it appears the problem has been addressed by some developments in business mailing practices. The USPS reported in 2016 that data through Fiscal Year (FY) 2015 showed UAA mail was declining. Compared to its FY2008 data when the USPS first began reporting the UAA volumes, forwarded mail volume has declined by 54.6%, while “Returned to Sender” volume declined by 62.6%, and “Treated as Waste” volume has declined by 35.6%, the USPS reported. <http://www.globaladdress.org/wp-content/uploads/downloads/2016/01/Special-Report-MTAC-Jan-2016.pdf>.

The USPS also reported that for all mail classes combined in FY2015 (Oct. 1, 2014 through Sept. 30, 2015), UAA forwarded mail volume declined by 1.7% compared to FY2014, “Returned to Sender” volume declined by 1.7%, and “Treated as Waste” volume declined by 2.7%.

The USPS Mailers’ Technical Advisory Committee workgroup (MTAC WG #177) has issued two best-practices reference documents. They cover various strategies business mailers may or may not already be using. <http://mailingsystemstechnology.com/article-4303-How-Mailers-Can-Stop-UAA-Mail-in-Its-Tracks.html>.

Best practices include, per the MTAC workgroup, but are not limited to, the following:

- **Best Practice as to Address Standards:** Mailers should use the output from the CASS™ validation tool to present the corrected address and standardized address onto the physical mailpiece. Use the postal standardized address whenever possible. CASS certified software should follow the guidelines established in Publication 28, <http://www.usps.com/publications/pubs/welcome.htm>, for abbreviation of address components in order to accommodate the address space specified by the user. If a significant number of addresses require abbreviations it is indicative that the envelope or label space allocated for the address component is inadequate. This is most common when

squishy Eskimo pies have resulted in discounts and disappointments.

databases have been designed to meet the constraints of an address label or window envelope.

The USPS standardizes on a maximum of 64 characters and abbreviates to 30 characters. The industry should continue progress toward standardizing on a 30 to 40 character output for all address-related products. Five lines of customer name and address data are recommended to ensure all data components can be presented. CASS software vendors should develop abbreviation logic to be certified by the USPS for addresses that have been shortened to fit in fields less than 30 characters per line.

- **Best Practice as to Storage:** When multiple addresses are stored, the best practice is to include an indicator to identify which is the USPS mailing address and the purpose for the other address (physical location, Mail Stop, or department coding, etc.). Address data should be parsed when stored so that each address element is maintained in its own field. Best practice for data storage is to include the ability to store the data at levels of granularity sufficient to meet practical needs such as rendition, comparison, matching, and detection of missing items. The ability to store data at multiple levels of granularity is also desirable provided that business rules concerning which data values depend upon other data values have been defined. For example, changing address elements may require changing the ZIP Code, and that in turn may require changing the documentation of when and how the address was updated, or specifically how the ZIP Code was obtained. The data about the names and addresses is called “metadata.”

Also, data storage systems should permit file updates to be permanently retained. If there is a need to retain original input data, then this should also be available as a feature of the systems.

- **Best Practice as to Exchange:** Best practices in this area include the ability to exchange name and address elements as well as full renditions, the ability to exchange metadata concerning names and addresses, including data identifying the address quality performances and the resulting quality status, and the tagging or other means of identifying element by element information using standardized naming conventions.

Best practice also includes the ability to exchange data quickly and efficiently without the need for the receiver to convert the data to another format

and with some degree of protection against transmission errors.

A better practice is to have available documentation of quality characteristics of the list as a whole, including the information available from Form 3553. A best practice is to have this data stored on an address by address basis as well as on a list by list basis, so that each address carries its own quality portfolio documenting the status of the address as complete and correct or otherwise, dates of move updating, and dates and sources of postal codes such as the Delivery Point Barcode (DPBC) and carrier route code. This would allow renting lists on a “ready to go” basis so that they could be directly incorporated into mail production, at least prior to some specified expiration date, without the need for further address hygiene activities.

- **Best Practice as to Data Collection:** Best practices in data collection depend upon introducing at the earliest possible stage, and preferably in real time (first-time), a means to validate and confirm the name and address elements as they are being captured or entered into the database. This includes the ability to make any necessary changes or additions, based on information from the primary source, and before the name and address elements are placed in persistent storage. This should include a Delivery Point Validation (DPV)-based Address Validation interface for all address capture systems, which is currently considered best practice. During capture, the address information should not be abbreviated and each element should be included in its own field.

DPV and other transactional address cleansing tools should also be leveraged at the point of data acquisition, where feasible. Records that do not receive a DPV – “Y” confirmed address or that receives a “D” or “S” return code should be flagged for further additional action. Refer to Appendix C for a list of return codes available in USPS Address Management products.

- **Best Practice in Mail Address Verification:** Best practice for mail validation would include implementing a just-in-time approach to validating mail addresses versus many days or weeks prior to mailing. This would involve using CASS certified software, which includes DPV, LACSLink®, and SuiteLink® capabilities.

LACSLink refers to Locatable Address Conversion System (LACS), a service offered by the USPS to update mailing addresses when a street is renamed or the address is updated for 911. The SuiteLink product enables customers to provide improved business addressing information by adding known secondary (suite) information to business addresses, which will allow USPS delivery sequencing where it would not otherwise be possible.

By adopting these best practices and others recommended by the MTAC, business mailers will hold down their postage and related costs and reduce waste at the USPS. https://ribbs.usps.gov/address_manage_quality/documents/tech_guides/BestPracticesAddressQualityMethodology.pdf.

A Happy Mobile Holiday

Retailers delivering app-like experiences on the web helped make mobile the only ecommerce channel with growth in 2017. Mobile shopping dominated the 2017 holiday season with revenue up 22%, the only ecommerce channel with year-over-year growth, according to the *2017 Q4 Mobile Commerce Insights Report* from Mobify. Retail saw mobile growth during the busiest season of 2017, with mobile leaders experiencing nearly 50% more mobile revenue over the previous year. The biggest jump in mobile revenue came after 6 p.m. on Cyber Monday, the report says. Yet, Black Friday mobile traffic beat out Cyber Monday as shoppers turned to their mobile devices in store to read reviews and compare prices, in addition to shopping online.

Transaction data reveals that more customers are shopping more, even though conversion rates may actually decrease due to higher traffic, the report says.

Knowing that the 2017 holidays would be momentous for mobile, Mobify’s research partner, Astound

Commerce researched twenty-five top retailers, stacking up their mobile web and mobile app experiences across more than 100 metrics. Five calculations were used as a framework to assess each retailer’s vision, consistency, and other compelling features.

The *Q4 2017 Mobile Commerce Insights Report* is based on a representative sample across 445 million sessions from Oct. 1 to Dec. 31, 2017. The purpose of the report was to provide benchmarks, actionable data and recommendations that can be put to immediate use. Retailers that created mobile-first experiences including fast, app-like designs and timely, relevant engagement stood to gain the most during the holiday season, according to the report. <https://globenewswire.com/news-release/2018/01/24/1304342/0/en/Mobile-Revenue-Jumps-22-as-Holiday-Shoppers-Turn-to-Mobile-Devices-Online-and-In-Store.html>.

Truck Capacity Could Limit Market Growth

Averitt Express' annual survey reports that truck capacity is a growing challenge to ecommerce and retail success, especially as it affects full-load transportation.

Averitt's *State of The North American Supply Chain* survey found that about 20% of shippers had capacity issues in 2017. This represents a doubling from 2016. About 76% of the 1600 shippers surveyed predicted 2018 would further increase volume. <http://www.fleetowner.com/trucks/survey-truck-capacity-top-shipper-concern>.

Capacity has been and will continue to be constrained by the electronic logging device (ELD) rule, the shortage of qualified drivers, and demand from manufacturers. <https://www.supplychaindive.com/news/shrinking-truck-capacity-shippers/515298/>.

The 2015 ELD rule issued by the Federal Motor Carrier Safety Administration (FMCSA) took effect in Dec. 2017. The FMCSA's ELD rulemaking responded to the 2012 enactment of the "Moving Ahead for Progress in the 21st Century" bill. That bill called for the FMCSA to mandate the use of ELDs.

Air Freight Capacity Sees Uptick

Industry-wide freight ton kilometers (FTKs) rose by 8.8% in Nov. 2017, nearly three percentage points higher than in October, the International Air Freight Association (IATA) reported. Freight capacity rose 4.0%, increasing over October's growth rate of 3.7%. Nov. 2017 was the sixteenth month in a row in which air freight demand grew at a faster rate than capacity. Air freight supply and demand haven't been in equilibrium since August of 2016.

Last year brought the highest demand growth rates since 2010—14.0% in March and 12.7% in May. On average, demand grew less than 10% each month. <https://www.supplychaindive.com/news/industry-pulse-air-cargo-demand-grows-twice-rate-capacity/515251/>.

Canada Post Returns to Door-to-Door Delivery

After embracing the community mailbox for its potential to cut the costs of delivery, it looks like federal Liberals will make permanent a freeze on converting home delivery to community mailboxes in Canada.

The challenge to community mailboxes came most vocally from mail carriers, and these postal workers are expected to object to last week's announcement that past conversions from door-to-door delivery to community mailboxes will not be reversed. The decision to change direction without reversing already forced conversions means some 800,000

An ELD replaces the use of the paper logbook some drivers use to record compliance with Hours of Service (HOS) requirements. This new rule improves previously tough to monitor compliance with limits on HOS. <https://eldfacts.com/eld-mandate/>.

Truckers have been in short supply for some time. *JOC.com* explains the lack of qualified drivers as a response to growing demand from manufacturers: "No container or straight truck or trailer moves without, at some point, a truck driver. Even so, trucking companies, especially truckload carriers, often have great difficulty finding, hiring and keeping drivers. Nearly every period of economic growth is accompanied by a driver 'shortage,' including the recovery that began in 2009." <https://www.joc.com/special-topics/driver-shortage>.

Analysts expect manufacturers' demand to continue growing due to the 2017 tax reforms enacted by Congress. <https://www.freightwaves.com/news/2017/12/5/tax-reform-bill-a-boon-for-trucking-but-what-about-truckers>. Boom time will squeeze growth as long as the current trucker capacity limits continue.

Stuart Lund, VP of Global Air Freight, UPS Global Freight Forwarding tells *Supply Chain Dive* why the demand has been outpacing new capacity. "Most of the 2017 market tightening that derived from increased demand and capacity shortages originated out of Asia and into the U.S. and Europe," he said. "However, during peak season in 2017, strikes and weather in Europe created a backlog and delivery delays for that region as well. In addition to increased demand driven by a robust global economy, factors impacting capacity ranged from a shortage of qualified pilots to a surge in freighter cancellations out of Asia," Lund added." <https://www.supplychaindive.com/news/air-freight-capacity-stretched-thin-e-commerce-flourishes/514834/>.

families will not see door-to-door delivery restored,

Federal officials say The Canadian Post will participate in a task force that will confront any accessibility concerns those 800,000 households and anyone else may be facing. Officials claim that reversing already-made conversions would be too costly. While the new policy is popular, it will increase costs, not revenues. As in the U.S., Canadian letter volume is declining while parcel volume rises. The reform is incomplete. <https://www.chrisd.ca/2018/01/24/liberals-end-community-mailbox-conversions-wont-restore-door-door/>.

Briefs

Postage rates went up on Jan. 21, 2018. The price of a First-Class Mail Forever stamp went up from 49 to 50 cents. Each additional ounce will cost an extra \$0.21. Postage prices went up one-cent on postcard stamps and metered letters.

In general, prices for mailing services products rose about 1.9% while shipping service prices rose on average by about 3.9%.

Other increases include:

- Letters (metered): 46 cents to 47 cents
- Domestic Postcards: 34 cents to 35 cents
- Priority Mail: 3.9% higher
- Priority Mail Retail an average of 0.8%
- Small Flat Rate Box: Up from \$7.15 to \$7.20
- Medium Flat Rate Box: Up from \$13.60 to \$13.65
- Large Flat Rate Box: Up from \$18.85 to \$18.90
- APO/FPO Large Flat Rate Box: Up from \$17.35 to \$17.40
- Regular Flat Rate Envelope: Up from \$6.65 to \$6.70
- Legal Flat Rate Envelope: Up from \$6.95 to \$7.00
- Padded Flat Rate Envelope: Up from \$7.20 to \$7.25

The public is encouraged to submit suggestions for new postal stamps. Details on the stamp selection process and instructions for submitting suggestions in writing are available on *about.usps.com*. Due to the time required for research and approval, ideas for stamp subjects should be received at least three years prior to proposed release. Each submission should include pertinent historical information and important dates associated with the subject.

An independent contractor who drove a truck for the USPS in southern Illinois is accused of stealing cash

and gift cards from USPS mail he was supposed to transport to a sorting facility, according to federal charges.

Paul S. Miller worked in Oct. and Nov. 2017, according to a federal indictment. Miller’s route extended from St. Louis, through the Southern District of Illinois (including St. Clair County), to Montgomery County and back to St. Louis. Once a local postmaster heard complaints from customers about cards with cash or gift cards not delivered, the USPS began an investigation.

The postmaster found undelivered mail in a recycling bin behind the post office on Nov. 22. Additional postal workers from other stops on Miller’s route found more undelivered mail in the bins, according to the indictment. A witness saw Miller throw mail into a dumpster behind the Hillsboro, Ill., post office. About forty pieces of mail from Miller’s route had been opened. Miller’s activity was observed again after he received test mail. The indictment alleges some of that mail was later found in the bin at the Witt, Ill., post office, according to the indictment. <http://www.bnd.com/news/local/article196037964.html>.

After the Senate failed to agree on a Continuing Resolution to fund the federal government on Friday, Jan. 19, the federal government shut down for three days. Senate Democrats voted to reopen the government the following Monday after receiving a commitment from Republicans to hold a vote on immigration legislation.

The House passed legislation to end the government shutdown, hours after Senate Democrats dropped their opposition to the plan. President Donald Trump signed the bill and government furloughs ended Jan. 23. The new deadline is Feb. 8.

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