



# County of Fairfax, Virginia

## MEMORANDUM

**DATE:** March 9, 2021

**TO:** Consumer Protection Commission

**FROM:** Michael S. Liberman, Director *MS*  
Department of Cable and Consumer Services

**SUBJECT:** Consumer Protection Commission Meeting for March 16, 2021

Please find attached the Consumer Protection Commission meeting package. The next scheduled meeting is **Tuesday, March 16, 2021, 7:30 p.m.** This meeting will be held via a video connection due to the COVID-19 pandemic.

To join the meeting:

Click:

<https://us02web.zoom.us/j/82801215318?pwd=MW93amhwUnhDUXNrN0dweWNVT2E4Zz09>

Enter Password: 631659

Audio-only participation:

Dial: 888-270-9936

Enter Code: 584548

Please RSVP with your attendance to Susan Jones by COB on Monday, March 15, 2021, at [susan.jones@fairfaxcounty.gov](mailto:susan.jones@fairfaxcounty.gov) or 703-324-5877.

Enclosures

cc: Joseph M. Mondoro, Chief Financial Officer  
Office of the County Executive

Rebecca L. Makely, Director  
Consumer Services Division, DCCS



**FAIRFAX COUNTY  
CONSUMER PROTECTION COMMISSION  
March 16, 2021 AGENDA**

Call to Order by the Chairman (7:30 PM)

Minutes

- Draft of the February 16, 2021, meeting minutes attached.

Report of the Chairman

Report of the Director

Commission Matters

Old Business

- Bylaws Approval

New Business

- Legislative Update

General Interest

- Consumer Protection Commission Calendar
- Consumer Protection Commission Membership
- Consumer Affairs Statistics
- Community Outreach
- Consumer Resources

## **Minutes of the Fairfax County Consumer Protection Commission**

February 16, 2021

7:30 PM  
Zoom Video Meeting  
Chairman Fee presiding

Attendance:

Commissioners: Belkowitz, Callender, Fee,  
Hargraves, Hine, Kirk, Kratovil, Lynch, Roark,  
Rosier

Absent:

Commissioners: Gulakowski, Javed

Staff:

Michael S. Liberman, Director  
Cable and Consumer Services  
(Fairfax)  
Rebecca L. Makely, Director  
Consumer Services Division  
(Aldie)  
Susan C. Jones, Branch Chief  
Consumer Affairs Branch  
(Springfield)  
Michelle Margeotes, Consumer Specialist  
Consumer Affairs Branch  
(Aldie)

The electronic meeting was called to order at 7:31 PM by Chairman Fee.

### **Quorum, Location, and Audibility of Members' Voices**

Chairman Fee conducted a Roll Call to verify that a quorum of members were participating; and that each member's voice was clear, audible, and at appropriate volume for all of the other members; and the location from which member was participating. The roll call was as follows:

Chairman Fee, Burke  
Commissioner Belkowitz, Fairfax Station  
Commissioner Callender, Great Falls  
Commissioner Hine, Fairfax  
Commissioner Kratovil, Mount Vernon  
Commissioner Lynch, Oak Hill  
Commissioner Rosier, Great Falls

Chairman Fee passed the virtual gavel to Secretary Rosier. A motion was made by Chairman Fee that each member's voice was adequately heard by each member of the Consumer Protection Commission (Commission.) This motion was seconded by Commissioner Callender. This motion passed 7-0 with Commissioners Hargraves, Kirk, and Roark not present for the vote.

### **Need for an Electronic Meeting**

A motion was made by Chairman Fee that the State of Emergency caused by the COVID-19 pandemic made it unsafe for the Commission to physically assemble and unsafe for the public to physically attend any such meeting, and that as such, FOIA's usual procedures, which require the physical assembly of the Commission and the physical presence of the public, could not be implemented safely or practically. Chairman Fee further moved that the Commission conduct the meeting electronically through a dedicated audio-conferencing line, and that the public access the meeting by calling 1-888-270-9936 and entering access code 584548. The motion was seconded by Commissioner Lynch. The motion passed 7-0 with Commissioners Hargraves, Kirk, and Roark not present for the vote.

### **Need to Dispense with FOIA's Usual Procedures to Assure Continuity in Government/Continue Operations**

A motion was made by Chairman Fee that all of the matters addressed on the agenda addressed the Emergency itself, were necessary for continuity in Fairfax County government, and/or were statutorily required or necessary to continue operations and the discharge of the Commission's lawful purposes, duties, and responsibilities. This motion was seconded by Commissioner Lynch. The motion was passed 7-0 with Commissioner Hargraves, Kirk, and Hargraves not present for the vote.

### **Minutes**

A motion was made by Chairman Fee and the minutes from the January 19, 2021, were approved with a change to Commission Matters.

### **Report of the Chairman**

The Chairman had no matters to bring before the Commission.

### **Report of the Director**

Director Liberman requested the Commission respond promptly to meeting invites to confirm a quorum in advance of the meeting.

Director Liberman stated the County Executive FY 2022 Advertised Budget presentation is on February 23, 2021, at 1:00 p.m.

Director Liberman stated the vaccine clinic at the Government Center continues to run on Tuesdays, Wednesdays, and Thursdays with 500-800 participants and on Saturdays and some Sunday with three to four thousand participants.

### **Commission Matters**

Commissioner Belkowitz had no matters to bring before the Commission.

Commissioner Callender inquired about Commissioner terms that have expired on July 31, 2020, related to quorum concerns and renewals by the Board of Supervisors (BOS.) Staff encouraged Commissioners with an expired term to contact their Board member for reappointment.

Commissioner Hine had no matters to bring before the Commission.

Commissioner Kratovil spoke about his interest in data security, privacy, and data breach issues. He stated an annual study released on detailing data breach trends for 2020. There were 1,108 data breaches reported compromising over 300 million files of individuals which is down 66 percent from 2019. Root causes are precise attacks instead of mass data breaches. Phishing, Ransomware, and Business Emails Compromise were leading sources of data breaches and file compromise.

Commissioner Lynch had no matters to bring before the Commission.

Commissioner Rosier stated COVID-19 vaccine registration is not going well due to the confusion of sign up with the State, County, and City. Contact by phone is not working and residents have questions about why their names are not in the database. Director Liberman will bring this concern to the Fairfax County Health Department.

Commissioner Kirk spoke about water seepage in his basement foundation and learning that his insurance does not cover this type of incident. He recommended everyone review their insurance policies.

Chairman Fee has been on Zoom with high school and college friends that have already received the vaccine and feels Fairfax County is behind in vaccinating residents.

### **Old Business**

There was no old business.

### **New Business**

**Bylaws.** Rebecca Makely, Director, Consumer Services Division stated that the draft of CPC Bylaws has been updated. The Bylaws will be presented as a consideration item to the BOS along with the Tenant-Landlord Commission and Trespass Towing Advisory Board Bylaws.

**COVID-19 Scams.** Consumer Specialist Michelle Margeotes provided a presentation on COVID-19 Scams.

A discussion ensued on HEPA filters in restaurants, community outreach about COVID-19 scams, and platforms used to promote scams.

Director Makely reminded Commissioners that these types of scams are similar whether it is a Romance Scam preying on loneliness, Charity Scams preying on generosity, or COVID-19 Scams preying on fear. If you received a call and chose to answer, listen to the information, but do not provide any personal information, and do your research on the company.

Commissioner Belkowitz thanked staff for the article on Virginia Youth Club.

Chairman Fee made a motion to adjourn. Commissioner Kirk seconded the motion. The motion passed unanimously.

The meeting adjourned at 8:32 PM.

# CPC Calendar

# Fairfax County Consumer Protection Commission

2021 Yearly Planning Calendar  
March 16, 2021

- January 19    ● Election of Officers
- February 16    ● Bylaws  
                  ● COVID-19 Scams Presentation
- March 16        ● Bylaws  
                  ● Legislative Update
- April 20        ● Message Denial Appeal
- May 18         ● Fairfax County Agency Area on Aging
- June 15
- July 20
- August 17
- September 21
- October 19
- November 16
- December 21

# CPC Membership



NAME & ADDRESS	CONTACT INFORMATION	STAFF
Harold G. Belkowitz 9203 Cross Oaks Court Fairfax Station, VA 22039 <i>Appt. Expires 7/31/2021</i>	703-690-9640 (home) 703-989-7986 (cell) 703-246-9273 (office) <a href="mailto:hbelkowitz@belkowitzlaw.com">hbelkowitz@belkowitzlaw.com</a>	Michael S. Liberman, Director Department of Cable and Consumer Services <a href="mailto:michael.liberman@fairfaxcounty.gov">michael.liberman@fairfaxcounty.gov</a>
Wes Callender 1088 Manning Street Great Falls, VA 22066 <i>Appt. Expires 7/31/2021</i>	703-759-2382 (home) 202-285-3946 (cell) <a href="mailto:wesitoc@gmail.com">wesitoc@gmail.com</a>	Rebecca L. Makely, Director Consumer Services Division 703-324-5947 <a href="mailto:rebecca.makely@fairfaxcounty.gov">rebecca.makely@fairfaxcounty.gov</a>
John Fee (Chairman) 5511 Landmark Place Fairfax, VA 22032 <i>Appt. Expires 7/31/2021</i>	703-278-8200 (home) 703-408-8266 (cell) <a href="mailto:JTFee@aol.com">JTFee@aol.com</a>	Susan Jones, Chief Consumer Affairs Branch 703-324-5877 <a href="mailto:susan.jones@fairfaxcounty.gov">susan.jones@fairfaxcounty.gov</a>
Denis Gulakowski (Vice-Chair) 6208 Falcon Landing Ct Burke VA 22015 <i>Appt. Expires 7/31/2021</i>	703-503-3225 <a href="mailto:hawkeye15@earthlink.net">hawkeye15@earthlink.net</a>	Main number: 703-222-8435 Fax number: 703-653-1310 <a href="mailto:consumer@fairfaxcounty.gov">consumer@fairfaxcounty.gov</a>
Dirck A. Hargraves 7659 Shuttington Drive Alexandria, VA 2231 <i>Appt. Expires 7/31/2023</i>	703-924-0625 (home) 202-374-3355 (cell) <a href="mailto:mrhargraves@yahoo.com">mrhargraves@yahoo.com</a>	
Scott Hine 11410 Octagon Court Fairfax, VA 22030 <i>Appt. Expires 7/31/2021</i>	703-278-1793 (home) 703-727-2468 (cell) <a href="mailto:hskat@cox.net">hskat@cox.net</a>	
Umair Javed 2738 Shawn Leigh Drive Vienna, VA 22181 <i>Appt. Expires 7/31/2021</i>	202-418-2409 (office) 703-801-0419 (cell) <a href="mailto:uj8m17@gmail.com">uj8m17@gmail.com</a>	
Dennis D. Kirk 6315 Anneliese Drive Falls Church, VA 22044 <i>Appt. Expires 7/31/2022</i>	703-609-3006 (cell) 703-536-2286 (home) 703-536-2286(fax) <a href="mailto:KIRKLAWFAC@gmail.com">KIRKLAWFAC@gmail.com</a>	

**Name & Address****Contact  
Information**

Jason J. Kratovil  
9200 Forest Haven Drive  
Alexandria, VA 22039  
*Appt. Expires: 7/31/2021*

703-919-5324  
[jjkdc1@yahoo.com](mailto:jjkdc1@yahoo.com)

Daton Lynch  
3406 Brightfield Court  
Herndon, VA 20171  
*Appt. Expires 7/31/2021*

301-247-4182 (cell)  
[datonlynch@gmail.com](mailto:datonlynch@gmail.com)

Michael J. Roark  
7352 Ardglass Drive  
Lorton, VA 22079  
*Appt. Expires 7/31/2020*

703-604-9187 (office)  
703-981-0084 (cell)  
[Mjr\\_06@yahoo.com](mailto:Mjr_06@yahoo.com)

Jacqueline Rosier (Secretary)  
1117 Leigh Mill Road  
Great Falls, VA 22066  
*Appt. Expires 7/31/2022*

703-407-5311(cell)  
[akarosier@gmail.com](mailto:akarosier@gmail.com)

# CAB Statistics



## Consumer Affairs Branch

### Monthly Summary - All Activities

**February 2021**

	Current Month		Fiscal Year-to-Date		Prior Fiscal YTD	
<b>Cases Received</b>	58		610		650	
<b>Cases Closed</b>	58		530		564	
Favorable	37	63%	299	56%	343	61%
Unfavorable	4	7%	42	8%	41	7%
Invalid	1	2%	20	4%	32	6%
Other	16	28%	169	32%	148	26%
Advice Inquires (closed)	348		3200		5722	
Case Inquires over 90+days (open)	24		149		247	
<b>Amount Received</b>	\$14,238.00		\$309,313.00		\$463,878.00	

## CLOSED COMPLAINT CATEGORIES

FISCAL YEAR-TO-DATE	% FYTD	PRIOR FISCAL YTD	% PRIOR FYTD
Tenant Landlord	31%	Cable Television (Regulated)	24%
Cable Television (Regulated)	12%	Tenant Landlord	22%
Housing Services	8%	Housing - Service	9%
Retail Stores	5%	Automotive - Towing	7%
Automotive - Service	5%	Automotive - Service	6%
Other	39%	Other	32%

# Community Outreach

## **OUTREACH EVENT CALENDAR**

### **March 2021**

<b>DATE</b>	<b>EVENT</b>	<b>LOCATION</b>	<b>of Guest</b>	<b>Event Time</b>	<b>Staff</b>
3/1/2021	<b>NCPW: Funeral Planning</b>	Fairfax County Government (Virtual) 12000 Fairfax County Parkway Fairfax, VA	14	1:00 p.m. - 2:00 p.m.	MLT/ WWS
3/1/2021	<b>NCPW: Online Scams</b>	George Mason Regional Library (Virtual) 7001 Little River Turnpike Annandale, VA	17	6:30 p.m. - 8:30 p.m.	MM
3/2/2021	<b>NCPW: Department of Treasury</b> Unclaimed Property	Virtual 101 N. 14th Street Richmond, VA		9:00 a.m. - 5:00 p.m.	SCJ
3/2/2021	<b>NCPW: Funeral Planning</b>	Lifetime Learning Institute (Virtual)		1:30 p.m. - 3:00 p.m.	WWS
3/2/2021	<b>NCPW: YCYC:</b> Common Interest Community Association Disclosures	Fairfax County Government (Virtual) 12000 Government Center Parkway Fairfax, VA		7:00 p.m. - 8:00 p.m.	MLT/ MM
3/4/2021	<b>NCPW: Consumer Connection:</b> Consumer Affairs 101	Fairfax County Government (Virtual) 12000 Government Center Parkway Fairfax, VA		1:00 p.m. - 1:30 p.m.	SCJ
3/5/2021	<b>NCPW: Don't be a Target for</b> <b>Identity Theft</b>	Fairfax County Government (Virtual) 12000 Government Center Parkway Fairfax, VA		1:00 p.m. - 2:15 p.m.	VFJ
3/11/2021	<b>Consumer Affairs 101</b>	McLean District Station (Virtual) 1437 Balls Hill Rd McLean, VA		7:00 p.m. - 9:00 p.m.	MM
3/12/2021	<b>Financial Fitness</b> Spring Cleaning Your Financial World	Fairfax County Government (Virtual) 12000 Government Center Parkway Fairfax, VA		10:00 a.m. - 12:00 p.m.	VFJ
3/26/2021	<b>Financial Fitness</b>	Fairfax County Government (Virtual) 12000 Government Center Parkway Fairfax, VA		10:00 a.m. - 12:00 p.m.	VFJ

# Consumer Resources

## **Resource Items**

**Fairfax County Department of Cable and Consumer Services**

<https://www.fairfaxcounty.gov/cableconsumer>

**Fairfax County Consumer Affairs Branch**

<https://www.fairfaxcounty.gov/cableconsumer/csd/consumer>

**Fairfax County Consumer Affairs Facebook**

<https://www.facebook.com/fairfaxcountyconsumer/>

**Fairfax County Coronavirus (COVID-19) Updates**

[Fairfaxcounty.gov/covid19/](https://www.fairfaxcounty.gov/covid19/)

**Ways to Stay Informed About Coronavirus (COVID-19)**

<https://fairfaxcountyemergency.wpcomstaging.com/>

**Ways to Donate and Help During COVID-19**

<https://fairfaxcountyemergency.wpcomstaging.com/2020/03/25/ways-to-donate-and-help-during-covid-19/>

**What to Know About Tenant-Landlord Rights During COVID-19**

<https://fairfaxcountyemergency.wpcomstaging.com/2020/11/17/what-to-know-about-tenant-landlord-rights-during-covid-19/>

**DCCS Operating Status**

<https://www.fairfaxcounty.gov/cableconsumer/status>,

***Consumer Connection: Consumer Affairs 101 (March 4, 2021)***

<https://fb.watch/39k5SxQ8Fy/>

***Your Community, You're Connected: Consumer Disclosure During Resale (March 2, 2021)***

<https://bit.ly/3sO7iIX>

## **Information Items**

**Scammers want your tax return. Here are two easy ways to stop them.**

Assume that criminals have everything they need to file a false tax return in your name, security experts say. [\[More\]](#)

**Billions were stolen from unemployment coffers. Now, it's creating a tax headache for victims.**

"It's unconscionable what some of these fraud rings have done. It's the worst of human beings"  
[\[More\]](#)

**Online shipping costs expected to increase further into the pandemic**

Delivery costs have been rising across the country and are expected to continue as the pandemic drags on, creating a serious headwind for retailers, according to a report by Jefferies. [\[More\]](#)



# Scammers want your tax return. Here are two easy ways to stop them.

Assume that criminals have everything they need to file a false tax return in your name, security experts say.

Feb. 12, 2021, 3:26 PM EST / Updated Feb. 12, 2021, 3:32 PM EST

By Kevin Collier

Tax season is here, and the fact that you can file your taxes online means that scammers can try that, too — and they may already have enough of your personal information to do so.

There are two simple ways to thwart this effort: File a return before a criminal does, and sign up for the IRS's new PIN program.

Around 80 percent of Americans now file their tax return online, according to data from the IRS. And tax fraud has become a big business: The agency identified \$2.3 billion in tax fraud in 2020. More than 100,000 people reported fraud that stemmed from either from tax- or employment-related identity theft, according to the Federal Trade Commission.

Since the U.S. has no designated national identification system, the IRS still relies heavily on taxpayers providing their Social Security number to authenticate they are who they say they are. But with SSNs so frequently used for identification, and data breaches so common, experts say everyone should assume that criminals have everything they need to file a false tax return.

“The Social Security number is being used in a way it was never intended to be used,” said Eva Velasquez, the president of the Identity Theft Resource Center, a nonprofit that helps victims of identity theft.

The sheer number of companies that ask for and store Americans' SSNs — and then lose them to hackers — means that the number of people who have not been compromised “is effectively zero,” she said.

“We need to acknowledge that,” Velasquez said. “To that end, the things that you can do become even more important.”

The first is to opt in for an Identity Protection PIN, a feature the IRS previously used to protect taxpayers who were already the victims of identity theft. This is the first tax season it's available to all taxpayers, though some states have had similar programs for years.

The IRS does not offer two-factor authentication, a basic cybersecurity tool that has become widespread in services like email, social media, and banking, that helps users prove their

identity. But the IP PIN aims to serve a similar function. After you pass a verification process, such as providing your name, birthday, address, and some financial information, the IRS will assign you a unique six-digit number you'll need to file your taxes. Once that's set up, criminals will have a significantly harder time filing tax returns in your name.

The second is to file taxes as soon as you can prepare them — which effectively blocks criminals from filing your return — instead of waiting until the April 15 deadline.

Though they're frequently blocked, criminals are already trying to file as many false tax returns as they can with stolen personally identifiable information, said Jarod Koopman, director of cybercrime at the IRS Criminal Investigations Unit.

"From our perspective internally, the biggest scams are just trying to take those known [personally identifiable information] aspects, or whatever information they've stolen, and use it to file false tax returns," Koopman said in a phone interview.

"A lot of times we now see them trying to institute it with different artificial intelligence or machine learning components to use some type of a script, or automated filing, to get them out quicker. It's a kind of numbers game," he said.

Investigators at the IRS monitor hacker forums where criminals trade not only Americans' personal information but also guides on how to commit tax fraud, and flag some accounts for added security. Its investigations led to 108 people being sentenced for ID-theft related crimes in 2020, a spokesperson said in an email, and 226 people the year before.

"Nothing's ever under control when you're talking about the bad guys," Koopman said. "We have outstanding capabilities and we feel comfortable going after criminals."

"But you're never going to be comfortable that this problem is solved. We're constantly fighting to stay ahead," he said.

# Billions were stolen from unemployment coffers. Now, it's creating a tax headache for victims.

"It's unconscionable what some of these fraud rings have done. It's the worst of human beings,"  
Feb. 10, 2021, 6:58 PM EST / Updated Feb. 10, 2021, 7:04 PM EST

By Ben Popken

Millions of Americans are opening their mail to discover a mysterious 1099-G IRS tax form for unemployment benefits they never applied for — or received. It's the first notice many are getting that they are victims of a massive identity theft and unemployment fraud scheme that plundered pandemic emergency unemployment funds and walked away with billions of dollars in illicit gains.

The Labor Department's inspector general's office "conservatively" estimates that over \$36 billion has disappeared because of improper payments for unemployment benefits. A "significant portion" is from fraud.

Because unemployment benefits are taxed as income, many questions arise for the victims. Should they include the fraudulent form when they file their taxes and pay levies on benefits they never received? Should they not include the form and risk getting in trouble with the IRS for underpaying taxes on unreported income? Or should they try to get the form fixed through already overwhelmed state unemployment offices?

Some victims discovered the deception earlier, when they were unemployed and tried to file for benefits but couldn't, because someone had already stolen them.

Danielle Hepburn, 33, of Tulsa, Oklahoma, was furloughed from her graphic design job in August. She said that when she tried to file for unemployment benefits, she was put on hold for three hours and was then asked whether she had filed back in June. She hadn't. However, someone else had, walking away with \$4,200 in her name. Her account was frozen, and during the two months it took to clear things up, she received no unemployment benefits.

"It was pretty stressful," Hepburn said by phone. "I used up all my savings to pay for rent, gas, electric, utilities, credit cards, student loans."

She still has an incorrect Form 1099, which she is working with the state workforce agency to resolve.

"I think it's just crazy to think that someone is taking all this money and we have people who really need it, who are really struggling," Hepburn said.

The inspector general's report said a variety of "identity thieves and organized criminal groups have found ways to exploit program weaknesses," exploiting historically underinvested-in state unemployment infrastructure.

"They just took credentials from previous data breaches and hammered those state systems," said Eva Velasquez, president of the nonprofit Identity Theft Resource Center, which advises governments, businesses and consumers about data breaches. "States are so impacted they're having a hard time getting to legitimate requests, let alone fraud requests." The crooks include international and national criminal rings, according to the Georgia Labor Department. A California rapper named Nuke Bizzle was arrested after he made a music video boasting of ripping off the state's unemployment system for \$1.2 million using stolen identities.

The thieves have been indiscriminate, exploiting the Social Security numbers of everyone from governors to teachers to the unemployed, even people working for the IRS.

"I've been at my job 16 years. I've never been in Ohio all my life," Theodore Taylor, 34, an IRS revenue agent from Philadelphia, said by phone, referring to a bogus claim made in another state under his name. "It's kind of weird. You have the address to an individual person in Pennsylvania and a person in Ohio. How did you get my info in Ohio?"

Taylor said he was worried that the incorrect 1099 could cause his return to be flagged for review or that the extra income from the form would nudge him into a higher tax bracket.

The IRS recently added guidance telling filers not to include the erroneous 1099 and to file their taxes as they would otherwise.

Filers should also check their earnings records with Social Security by logging into or creating a My Social Security account and then checking their statements, at [ssa.gov/myaccount](https://ssa.gov/myaccount). If items need to be corrected, they can call Social Security at 800-772-1213 or contact a local office.

# Online shipping costs expected to increase further into the pandemic

PUBLISHED THU, FEB 18 2021 4:11 PM EST

Katie Tsai

## KEY POINTS

- Delivery costs have been rising across the country and are expected to continue as the pandemic drags on, according to a report by Jefferies.
- With competition like Amazon Prime's speedy shipping, mid-sized retailers are at risk because many don't have the capacity to keep up with increased demand for deliveries.
- Holiday surcharges that shipping carriers implemented are not expected to be going away anytime soon.

Delivery costs have been rising across the country and are expected to continue as the pandemic drags on, creating a serious headwind for retailers, according to a report by Jefferies.

"The recent growth in shipping costs has been fueled by the surge in e-commerce penetration, which has created a significant supply/demand imbalance and left carriers capacity constrained," Jefferies' analyst Janine Stichter said in the report, which was based on a call with Dean Maciuba, a former FedEx executive who is currently the North America managing partner at consulting firm Last Mile Experts.

Consumers expect fast and free shipping, but that is an increasing burden for many retailers, especially those that were hurt by extended shutdowns during the Covid-19 pandemic. Mid-sized retailers are especially at risk because many don't have the capacity to implement a robust and efficient enough shipping strategy to keep up with the demand for fast deliveries.

This pressure comes largely from companies like Amazon, famous for its Prime two-day shipping, one-day and same-day delivery options. This has made consumers expect fast and free shipping, even though some may not even want or need it, said Stichter.

Online shopping during the holiday season last year did not hit as high of peak as expected, according to Maciuba. He suspects that shipping carriers are looking to make up for financial losses since they invested in building up infrastructure in preparation for increased demand that never materialized. On

the other hand, retailers could benefit from lower-than-expected shipping costs.

However, holiday surcharges that shipping carriers like FedEx and UPS implemented to prepare for the influx of orders aren't going away. These surcharges will likely become the new normal moving forward, in addition to the 5%-6% annual increases that are usually seen, Maciuba predicted.

FedEx recently announced new peak surcharges on Express and domestic residential ground shipments for those customers who had a weekly volume of more than 30,000 packages. The 30-cents per package surcharge went into effect on Monday.

Maciuba told Jefferies that the best solution for shipping carriers to combat losses from the pandemic and holiday is to adopt alternative delivery methods like buy online, pick up in store services, curbside pickup and the use of third-party delivery apps like Doordash or Shipt.