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Ms. Sherry Harrell
SLAC Chair
Sherry.Harrell@state.tn.us

Re: Public Comment on Rule 327.4 Delivery Charges (Draft 3/10/2009)

Dear Ms. Harrell:

Valassis, the nation's largest direct mail company, appreciates this opportunity to provide comments to the SLAC Committee in connection with the 3/10/2009 draft of Rule 327.4 on Delivery Charges.

With respect to Illustration 3 under Part A, we believe the facts as stated make this illustration confusing. The exclusion to be illustrated is the exclusion for a "transportation" charge, which is defined as the charge for moving personal property from possession by the seller to possession by the purchaser or the purchaser's designee. The facts focus on a mailing service provider who has not printed the advertising piece that is being distributed. As worded, the mailing service provider is not making a sale of tangible personal property and is not the "seller" who is moving the possession of the printed material. Instead, the third-party printer is the "seller" of the tangible personal property and is moving possession to the mailing service provider who is the "purchaser's designee." Consequently, the exclusion for the transportation charge applies to the sale by the third-party printer, not the mailing service provider.

We suspect that the intent of this illustration is to illustrate a transaction other than the transaction as currently described. As such, we believe the wording in this illustration should be changed to avoid the confusion as demonstrated by our discussion above. Unfortunately, we do not know the intent of the illustration, so we cannot suggest modified wording at this time.

Again, we appreciate this opportunity to comment, and we appreciate all the efforts that SLAC and industry are investing to clarify the existing rules.

Sincerely,

A handwritten signature in blue ink that reads "Gary D. Yeats". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Gary D. Yeats