

Walmart plans \$3.99 drone deliveries in six states by year-end

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Walmart Inc. and partner DroneUp LLC plan to expand their drone-delivery hubs to 34 locations in six states by year-end, taking a big step toward scaling up aerial dropoffs for U.S. shoppers even though big

regulatory hurdles remain.

Deliveries will cost \$3.99 and orders can weigh up to 10 pounds, Walmart said in a statement Tuesday. The expanded network has the potential to reach 4 million U.S. households and give Walmart the capacity to deliver 1 million packages by air in a year. But attaining those goals depends on changes to U.S. rules that now require flights to remain within a [drone](#) operator's line of sight.

The milestone plan vaults Walmart's partnership with DroneUp from a [pilot project](#) in northwest Arkansas to shoppers' yards in parts of five more states: Arizona, Florida, Texas, Utah and Virginia. Tens of thousands of goods including Tylenol, diapers and hot dog buns could be eligible for [drone delivery](#) in as little as 30 minutes between 8 a.m. and 8 p.m., Walmart said.

"While we initially thought customers would use the service for emergency items, we're finding they use it for its sheer convenience, like a quick fix for a weeknight meal," David Guggina, Walmart's senior vice president of innovation and automation, said in the statement. "Case in point: The top-selling item at one of our current hubs is Hamburger Helper."

There's still a long way to go before drone deliveries become common—and there's no guarantee they ever will. Drone service is sharply restricted by regulations that typically make it impractical as a commercial venture. At this stage in the U.S., all drone deliveries are being conducted as tests with tightly restricted safety protocols.

Awaiting rules

The Federal Aviation Administration hasn't written rules allowing drone flights beyond the sight of human operators on the ground. The agency is

still developing the framework for how a new air-traffic system for the devices would work. Other questions remain about potential community concerns, such as noise.

In a tacit acknowledgment of those limits, DroneUp will also use the hubs at Walmart stores to offer services to local businesses and governments. For example, a builder could work with DroneUp to monitor progress at construction sites. Other [applications range](#) from insurance to [real estate](#) to emergency-response services, potentially offsetting retail-delivery costs and generating more flight data.

In Walmart's expanded network, participating stores will have certified drone operators who manage DroneUp flights. When an order is placed, it will be filled by the store and then packaged, loaded onto a drone and lowered into the customer's yard with a cable.

"DroneUp has been a reliable partner as we've tested this solution," Guggina said. "Their capabilities will enable our business to scale with speed while maintaining a high caliber of safety and quality."

Walmart bought a stake in DroneUp last year. The Bentonville, Arkansas-based retailer also has drone projects with Zipline International Inc., which uses fixed-wing aircraft, and Israeli startup Flytrex Inc.

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