

UPS And CVS Make First Residential Drone Deliveries Of Prescription Medicines

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Flights were the first commercial drone deliveries of a medical prescription in the United States under an FAA-approved program. UPS and CVS exploring a variety of drone delivery use cases. UPS Flight Forward expanding drone delivery beyond hospital campuses.

UPS subsidiary UPS Flight Forward Inc. (UPSFF) and CVS Health Corporation subsidiary CVS Pharmacy, Inc. today announced the successful completion of the first revenue-generating drone delivery of a medical prescription from a CVS pharmacy directly to a consumer's home. This was followed by another delivery of a medical prescription to a second customer in a nearby retirement community. Both flights occurred on Friday, Nov. 1, 2019, using the M2 drone system by UPS partner and drone systems developer Matternet.

The deliveries mark another milestone in a recently announced collaboration between UPS and CVS to develop a variety of drone delivery use cases, including business-to-consumer operating models. The companies plan ongoing drone delivery program development in the coming months in order to bring to market the speed and convenience advantages of UAVs. The recent prescription delivery flights occurred with FAA approval to conduct a residential drone delivery and according to FAA regulations.

"This drone delivery, the first of its kind in the industry, demonstrates what's possible for our customers who can't easily make it into our stores," said Kevin Hourican, president of CVS Pharmacy. "CVS is exploring many types of delivery options for urban, suburban and rural markets. We see big potential in drone delivery in rural communities where life-saving medications are needed and consumers at times cannot conveniently access one of our stores."

The deliveries also reflect an important step for UPSFF as it expands operations beyond those it currently offers on hospital campuses. UPSFF was the first company approved by the U.S. Federal

Aviation Administration to operate a drone airline under a Part 135 Standard certification. UPS earned its certification – the broadest available from the FAA – in late September. It permits the company to collect payment for drone deliveries and to fly as many drones supported by as many operators as necessary to meet customer demand.

"We now have an opportunity to offer different drone delivery solutions, tailored to meet customer needs for speed and convenience," said Scott Price, UPS chief strategy and transformation officer. "Delivering prescriptions by drone directly to homes could greatly improve the patient experience for CVS customers. We're delighted to build new services that will shatter preconceived notions of how, when and where goods can be delivered."

The flights launched from a CVS store in Cary, NC and flew to CVS customers' homes. The drones flew autonomously but were monitored by a remote operator who could intervene if necessary. The drone hovered about 20 feet over the properties and slowly lowered the packages by a cable and a winch to the ground. One of the packages was delivered to a CVS customer whose limited mobility makes it difficult to travel to a store to pick up a prescription.

UPSFF and Matternet have completed more than 1,500 revenue-generating drone deliveries (nearly 8,000 samples) at WakeMed Hospital in Raleigh, NC since launching service there in March 2019. UPSFF is building out its ground infrastructure to enable expansion to several industries in the future.

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