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# BUSINESS MAILERS REVIEW

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## USPS Reform Progress

Members of the House Oversight and Government Reform Committee (Committee) unanimously approved bipartisan legislation to overhaul the Postal Service on Mar. 16, 2017. Lawmakers, including Democrats and Republicans, major unions, businesses in the mailing industry, and the Postal Service agreed not to propose any amendments in hopes that this bill would make it to the House floor for action.

The 2017 Postal Service Reform Act, authored by Reps. Jason Chaffetz (R-Utah) and Elijah Cummings (D-Md.), the respective chairman and ranking member of the Committee, as well as Reps. Mark Meadows (R-N.C.), Dennis Ross (R-Fla.), Gerry Connolly (D-Va.), and Stephen Lynch (D-Mass.), closely matches a measure the Committee easily passed in 2016.

### Retiree Healthcare

Reps. Chaffetz and Cummings supported the bill that would require USPS retirees electing to receive federal health insurance to enroll in Medicare parts A and B as their primary care provider. The bill would phase out the Postal Service's share of retirees' Medicare premiums over four years. Most postal employees enrolled in the Federal Employees Health Benefits Program would have to select a plan established for USPS workers.

The Medicare reform would reduce the USPS's prefunding obligation for future retirees' health care. The agency has been unable to make required payments for several years. USPS would make lower, actuarial payments toward the remaining liabilities over the next forty years.

### Retirement Benefits

The bill also would adjust actuarial assumptions about the demographics of the USPS workforce to reduce the Postal Service's obligations to fund the Federal Employees Retirement System on account of its staff. Proponents have long maintained that the agency has been overpaying for its workforce's inclusion in the plan. If any surplus exists after the new formula is established, it would be returned to the agency over time.

### Regulatory Revisions

The House bill calls for a reduction of four seats on the USPS Board of Governors from nine Senate-confirmed members to five.

Some other revisions of regulatory entity authority would apply. The Postal Regulatory Commission's (PRC) authority to levy fines against the Postal Service would be modified. The PRC would have until 2018 to review how the pricing structure should be set going forward, a study the regulators are currently undertaking. The bill would clarify the criteria by which the PRC would make its review. The PRC would have to consider factors such as financial stability, customer experience, and delivery timelines in making its determinations.

### Service Revisions

The bill paves the way for conversion of more homes from door-to-door delivery to curbside or clustered mailboxes delivery. For residential addresses, door-to-door delivery would stop only if 40% of the area's residents agree. New home addresses will remain eligible for door-to-door delivery if their neighbors already do. Businesses also will face incremental conversions from door-to-door delivery.

The House bill avoids a switch from six to five days' mail delivery each week because Postmaster General Megan Brennan has dropped her support for five-day mail delivery from the agency's list of demands for postal reform.

### Enhanced Worker Rights

If the bill is passed, non-bargaining, non-supervisory employees would gain appeal rights with the Merit Systems Protection Board.

### Prospects

Back in January, when members resubmitted the bill, they expressed their hope that this bill would make it to a floor vote. "This bipartisan measure will make the policy changes that are most urgently needed to put the Postal Service on sound and sustainable long-term financial footing," the cosponsors said in a joint statement. "This collaborative reform effort places the Postal Service on a path toward a viable future."

## Short Takes

Amazon announced its first brick-and-mortar bookstore in November 2015 and is now working on store No. 10 near Seattle. “We are excited to be bringing Amazon Books to Bellevue Square in 2017, and we are currently hiring store managers and associates,” an Amazon spokesperson told *Recode.net*.

It is not yet clear whether Amazon is growing its bookstore business to sell books or to sell devices like the Kindle and Echo. Amazon’s Chief Financial Officer Brian Olsavsky recently stated during an Amazon earnings call: “We test, we innovate,” he said. “We think the bookstores, for instance, are a really great way for customers to engage with our devices and see them, touch them, play with them and become fans. So we see a lot of value in that as well.” <http://www.recode.net/2017/3/8/14850324/amazon-books-store-bellevue-mall-expansion>.

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Amazon will soon complete its first drive-thru grocery pickup location in hometown Seattle, according to permit documents and signage viewed by *GeekWire*. Amazon has plans to open twenty grocery stores in major U.S. cities over the next couple of years per *Retail Dive*. <http://www.retaildive.com/news/amazonfresh-pickup-stores-reportedly-poised-to-open-in-seattle/438047/>.

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Bringg raised \$10 million of new funding to grow marketing and sales efforts and expand its platform into new markets. The logistics management startup aids retailers and consumer products firms with the set-up of last-mile delivery systems and efforts. Businesses pay for Bringg via volume-based pricing, per *TechCrunch*. <http://www.retaildive.com/news/bringg-brings-in-10m-to-further-fund-delivery-management-aims/438107/>.

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*Retail Wire* recently ran through the pros and cons of offering free-return shipping for retail orders. The article discusses a National Retail Federation study that found about 59% of retailers currently offer free-return shipping and a higher number do so during the holiday season. <http://www.retailwire.com/discussion/are-free-returns-a-good-way-to-drive-online-sales/>.

A study done in 2012 at Washington and Lee University found that after two retailers adopted a

free-return shipping policy, customer spending increased by \$620 over two years for one retailer and \$2500 for the other. When customers had to pay for shipping, their purchases fell between 74 and 100%. <http://www.journals.marketingpower.com/doi/abs/10.1509/jm.10.0419?journalCode=jmkg>.

Dr. Amanda Bower, lead author of the study and professor of business administration and marketing at Washington and Lee University, told NBC News then that the offer of free-return shipping is an invitation to trust the retailer. Growth of trust from successive purchases instills a willingness to buy again and again because the company “will let them fail,” she said. “If I buy something because I think it matches my sweater, and it doesn’t, whose fault is that?” said Bower. It may not be the retailer’s fault, but taking on the cost translates into a reason for customers to take chances. That means more business. [http://business.nbcnews.com/\\_news/2012/10/11/14321019-forget-blame-game-free-returns-can-increase-online-purchases-357](http://business.nbcnews.com/_news/2012/10/11/14321019-forget-blame-game-free-returns-can-increase-online-purchases-357).

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National Conference of State Legislatures and the International Council of Shopping Centers estimate that states and localities lost close to \$26 billion in sales taxes from ecommerce sales in 2015.

Online sales tax legislation remains on the radar screen in Congress, but it has been a tough sell for some time. *POLITICO’s Morning Tax* reported on March 23 that: “Rep. John Conyers of Michigan, the top Democrat on the House Judiciary Committee, referenced the \$26 billion figure in a Wednesday markup as he blasted Republicans for proposals that would ‘cut untold amounts of federal assistance to the states.’ That, he added, made online sales tax legislation an even more pressing concern.”

The discussion arose in connection with another provision that would limit the rights of states to tax activity in their bailiwick. As *POLITICO* explained it: “Conyers’ statement came as the Judiciary panel cleared a measure that bars states from taxing nonresidents who work there less than 30 days. Chairman Bob Goodlatte (R-Va.) said the measure ‘eases the regulatory burdens on small businesses and their employees who work temporarily across state lines, while creating a fair balance with states wishing to collect taxes on income earned in the state.’ Rep. Jerry Nadler (D-N.Y.) countered that ‘the power to tax is a key index of sovereignty. Yet this legislation would prohibit states from taxing activity within their own borders, except as prescribed in the bill.’”

## USPS Employees Exposed by Data Breach

A marketing database of millions of U.S. corporate employees, including the records of Defense Department, Postal Service, and other federal government and military personnel may have been released as part of a data breach, reports *ZDNet.com*.

Business services company Dun & Bradstreet (D&B) confirmed to *ZDNet* it owned the database, which it said it sold to “thousands” of other firms for marketing purposes. D&B reported that the exposure was not from its database.

The personally identifiable information for more than 88,000 Postal Service employees were included. <http://www.zdnet.com/article/millions-of-records-leaked-from-huge-corporate-database/>.

According to *NextGov.com*, “[s]uch detailed information about companies can help bad actors create very targeted spear-phishing campaigns.” [http://www.nextgov.com/cybersecurity/threatwatch/2017/03/spear-phishing-misplaced-data-defense-department/2801/?oref=TW\\_hp\\_module](http://www.nextgov.com/cybersecurity/threatwatch/2017/03/spear-phishing-misplaced-data-defense-department/2801/?oref=TW_hp_module).

## USPS Cleans House

In the 1980s and 1990s a few postal workers “went postal” and several chalked up victims’ outlines on USPS work floors. These incidents lowered employee morale in a workplace spread over fifty states and encompassing more than 600,000 employees.

*NextGov.com* recently reported on both the causes and steps taken to address causes of this on-the-job violence. It wrote: “As public scrutiny increased, it surfaced that incidents of workplace violence at the Postal Service coincided with a massive backlog of equal employment opportunity complaints filed by postal workers. EEO complaints are claims of discrimination on the basis of race, religion, sex and other factors. By 2003, the backlog topped 4,000 unanswered complaints, ‘more than any other federal agency,’ said U.S. Postal Service Human Resources Executive Manager Randy Caldwell.”

In 2004, USPS created the National EEO Investigative Services Office (NEEOISO), a centralized investigation unit that processes cases and assigned contracted investigators to pursue—in a neutral manner—all formal complaints. After cleaning up much of the backlog, NEEISO centralized services, including acceptance and dismissal and final agency decisions, and created a Centralized Intake System that allowed employees to initiate EEO complaints via a toll-free number.

“It helped the complainant get resolutions faster, it helped the Postal Service system and it also saves taxpayer dollars,” Caldwell said. “To make a long story

short, NEEISO really saved the Postal Service time, money and efficiencies. And it really helped them to correct issues with employees.”

Contractors implemented several approaches that proved effective. Fee-for-service contractors worked harder than “per-case” workers to clean up the backlog. Centralized and standard processes proved more efficient than decentralized handling and procedures. Adoption of complaint-handling technology directed complaints from phone and other channels into the handling queue. NEEISO also grew its clientele by offering EEO processing services to other federal agencies.

Success is documented and has been audited several times without finding cause to question the program. “Whereas the Postal Service used to rank dead last as an EEO complaint processor among federal agencies, it now sits squarely at the top,” reports the article. “We’ve gone from worst to first,” said Doug Tulino, vice president of labor relations for the Postal Service. “When you have all these other entities in the federal government coming to you and asking you to provide them services, I think that speaks volumes of the job NEEISO has done.” [http://www.nextgov.com/cio-briefing/2017/03/worst-first-how-us-postal-service-cleaned-employee-discrimination-complaints/135958/?oref=govexec\\_today\\_nl](http://www.nextgov.com/cio-briefing/2017/03/worst-first-how-us-postal-service-cleaned-employee-discrimination-complaints/135958/?oref=govexec_today_nl).

## USPS's Top Contractors List

Husch Blackwell announced March 15 its Top 150 U.S. Postal Service Suppliers list, an annual look at the companies with the largest supplier relationships with the USPS. David Hendel, a partner in the firm’s Technology, Manufacturing, and Transportation group, and leader of the firm’s Postal Contracting team, compiled the list of top USPS suppliers based on data received in

response to Freedom of Information Act requests.

### Transportation and Vehicles

Transportation contracts accounted for about half of the over \$14 billion spent on outside purchases. As a result, transportation contractors fill half of the first ten spots on the Top 150 for fiscal year (FY) 2016, which ended Sept. 30, 2016. (*See chart.*) Federal Express

Corporation (FedEx) topped the list, this year with \$1.678 billion in revenues – about a \$300 million increase from last year. FedEx has topped the list for the last fifteen years. FedEx carries mail for the USPS. USPS recently extended its air cargo network contract with FedEx for an additional five-year period, through Sept. 29, 2024. The contract tally grew from FY 2015 when it was about \$1.4 billion.

FCA US, LLC (formerly known as Chrysler Group LLC) rose to No. 4 on the list with \$270 million in revenue. Last April, USPS agreed to buy 9113 Ram ProMaster commercial vans from the company.

Salmon Companies ranked No. 5 based on trucking contracts tallying \$242 million.

Victory Packaging, ranked No. 6, with \$221 million in contract revenues, provides logistics and distribution services for ReadyPost and other packaging supplies programs.

Eagle Express Lines, Inc., ranked No. 8, with about \$179 million in contract revenues, services postal routes providing on-time delivery of time-sensitive materials.

Auto-supplier Wheeler Bros., Inc. ranked No. 9, with \$177 million in contract revenue. Its rank is unchanged and contract revenues rose only about \$2 million from FY 2015.

United Parcel Service, Inc. is ranked No. 11, with

## FedEx Breaks New Ground

FedEx Ground volume grew 2.2% while revenue per Ground package increased 6.1% in Q3/FY 2017. The quarter ended Feb. 28, 2017 included the 2016 peak portion of the holiday season, FedEx chief marketing officer Raj Subramaniam said March 21 on the call with analysts.

Ecommerce deliveries more than doubled the daily average several days between Black Friday and Christmas. Average daily package volume for FedEx Ground was 8.52 million in the quarter, up from 8.34 million in Q3/FY 2016. Revenue per package during Q3 was

\$161 million in contracts.

Six of the companies ranked No. 11 through 20 also are in the transportation services category.

## Technology

Technology-related companies hold four of the top ten spots. EnergyUnited Electric Membership Corporation, providing telecommunication and energy billing services, ranks as No. 2 for 2016 with \$414 million in revenue. In FY 2015, the company also was ranked No. 2, but its contract revenues were higher at about \$440 million.

HP Enterprise Services, LLC, ranks No. 3 with \$286 million

in revenue, about \$95 million more than last year. It climbed from No. 7 in FY 2015 to its current ranking. It provides computer equipment.

Accenture Federal Services, which provides enterprise technology and consulting services to the agency, is ranked No. 7 with \$190 million. It rose one place in rankings by increasing contract revenues by about \$2 million.

Northrop Grumman Corporation, operator of the central repair facility in Topeka, Kan., is No. 10 with \$171 million in revenue.

IBM (No. 15, \$108 million) and Deloitte LLP (No. 18, \$98 million) placed in the top 20.

FY 2016 Rank	FY 2015 Rank	Supplier Name	FY 2016 Revenue	City, State
1	1	Federal Express Corporation*	\$1,678,855,833	Pasadena, CA
2	2	EnergyUnited Electric Membership Corporation	\$414,352,778	Statesville, NC
3	7	HP Enterprise Services, LLC*	\$285,942,420	Plano, TX
4	26	FCA US, LLC	\$269,722,639	Auburn Mills, MI
5	4	Salmon Companies, Inc.*	\$241,796,411	Little Rock, AR
6	5	Victory Packaging	\$221,393,566	Houston, TX
7	8	Accenture Federal Services	\$190,484,322	Chicago, IL
8	12	Eagle Express Lines, Inc.	\$178,603,404	South Holland, IL
9	9	Wheeler Bros., Inc.	\$177,388,988	Somerset, PA
10	10	Northrop Grumman Corporation*	\$171,155,578	Merrifield, VA

\* Consolidated entry

why we have been backing away from some customers and raising our prices significantly. So that balancing act will continue for us going forward,” Graf said.

On Jan. 2, 2017, FedEx rates for Ground and Freight services increased an average of 4.9%; Express rates rose an average of 3.9%. FedEx also changed the dimensional weight divisor for FedEx Express and FedEx Ground packages to 139 from 166, making the divisor the same as it currently is for international packages and increasing the fees retailers will pay on many packages. The company did not identify which retailers’ business it had lost and which it sought to lose with its new pricing structure.

It has not given up on efforts to grow ecommerce volume. In February launched FedEx Fulfillment, an ecommerce logistics service that targets small and medium businesses. “The strength of the FedEx portfolio allowed us to bring to market a fulfillment solution with advanced warehouse management, the latest same-day cut-off times, two-day ground shipping throughout the United States and a seamless return process,” Subramaniam said on the call.

## BAT Crazy

Talk of a 20% border adjustment tax on imports (BAT) to incentivize U.S. jobs growth treats the retail sector harshly. Researchers from Credit Suisse Group AG downgraded the retail sector last week, in response to concern that the new Trump administration would press for inclusion of a BAT provision in the House corporate tax reform proposal. The BAT already is part of House Republicans’ “A Better Way” tax plan.

Analysts predict such a tax would increase prices for apparel and retail products and wipe out earnings for several major brands in the sector.

Wells Fargo & Co. analyst Ike Boruchow says it already is “increasingly clear that retail is under significant pressure” and that the companies are “running out of time” to hit their first quarter numbers.

*Retail Dive* gives this startling perspective on the BAT: “RBC Capital Markets analyst Scot Ciccarelli found that the earnings risk to six major U.S. retailers could result in a \$13 billion blow to their balance sheets, while Best Buy alone could see its annual earnings completely wiped out by such a tax.” <http://www.retaildive.com/news/how-a-border-adjustment-tax-would-wreak-havoc-on-retailers/438102/>.

The president’s keenness for wielding the BAT to

## Logistical Limbo

Truckers are in short supply. Shipping containers are not being manufactured with sufficient alacrity to meet anticipated growth in sales. As a result, freight capacity will become a constraint on growth when the

Prior to that announcement, FedEx announced in January an alliance with Walgreen Co., which allows consumers to pick up and drop off packages at the stores. About 8000 Walgreens locations will offer the service for the 2017 peak season.

For the fiscal third quarter of 2017 ended Feb. 28, FedEx also reported:

- Total revenue of \$44.59 billion, up 19.3% from \$37.39 billion in the same period of fiscal 2016.
- FedEx Ground revenue of \$13.40 billion, up 9.0% from \$12.29 billion.
- Revenue from FedEx Express of \$20.18 billion, up 2.2% from \$19.74 billion.
- Net income of \$1.98 billion, up 4.8% from \$1.89 billion.
- Ground average daily package volume of 7.96 million, up 5.4% from 7.55 million.
- Revenue per package (Ground) of \$8.05, up 4.3% from \$7.72.

reduce movement of jobs overseas was a frequent focus of his campaign rallies. It is unclear whether the building of a wall at the Mexican border will allay the concerns of his constituents in need of jobs, and silence demands for BAT. Congress may also find it tough to fund planned defense and infrastructure expenditures with a regressive tax that will depress a sector already affected adversely by the slow recovery from the Great Recession and the growth of ecommerce business.

Retailers plan to educate their representatives with an energetic defense: “In the last decade—and I can speak to it because I’ve been here for 10 years—there has been no public policy issue that has energized the retail industry like this,” Brian Dodge, senior executive vice president of public affairs at RILA, told *Retail Dive*. “At all levels, this would have a profound effect on the businesses, but most importantly on consumers. Companies that have not historically heavily engaged in public policy are doing so now because of the scale of this threat.”

Treasury Secretary Steven Mnuchin has said tax reform will be passed by August, which makes the issue a priority for the spring and summer.

shortage of truckers and other aspects of supply chain and logistics development peak.

Some market analysts predict the industry has reached its peak capacity while others cross their

fingers and hope that day lies farther down the road. In the 2017 State of the North American Supply Chain Survey, only 11% expressed issues with capacity over the past year. U.S. gross domestic product (GDP) rose 3.5% during the third quarter of 2016, followed by a holiday shopping season that exceeded some expectations. Nevertheless, “the overall economy saw fewer sales throughout 2015 and 2016 than predicted. Thus, the volume of existing shipping containers did not change much,” says Kevin Jessop, Marketing Project Manager at Cerasis.

Factors resulting in a deferral of a freight capacity crunch include:

- GDP growth directed toward travel, health care, and data plans, rather than toward consumer spending on goods. This means that fewer sales of goods hold down the number of packages being shipped.
- New regulations on truckers have threatened to make the shortage of truckers unmanageable. As of Dec. 18, 2017, truckers begin using electronic logging devices, in addition to complying with recent changes to hours-of-service regulations. Drivers will find it impossible to exceed their hours limits no matter how much they would like to stay on the roads.
- Options for those needing to deliver what the trucks cannot carry will add stress to rail and intermodal shipping providers, too.

## UPS Rolls Out Drone Launch Stations

United Parcel Service, Inc. (UPS) has begun testing a delivery truck that acts as a mobile drone base, *Business Insider* recently reported. The vehicle uses its roof as a drone “nest” from which a drone capable of flying for thirty minutes and carrying ten pounds can launch.

UPS takes a different approach than some of the other players in the package delivery network. Last year, Amazon filed a patent for technology that would deploy drones from a “floating warehouse” airship. <http://www.retailwire.com/discussion/amazon-considers-floating-warehouses/>. Another approach would use lampposts and buildings as perches for delivery drones, reports CNBC. <http://www.cnn.com/2016/07/19/amazon-wants-to-use-lampposts-churches-as-drone-perches.html>. Alternatively, a drone could drop packages with the use of parachutes, according to CNN. <http://money.cnn.com/2017/02/14/technology/amazon-drone-patent/>.

Google has a patent for a self-driving delivery

- *Amazon.com* and its market competitors already have in the works alternative shipping solutions like robots and drones, but the equipment is still in development, the logistics remain a challenge, and the regulations needed to make these options operable are still in infancy.
- Suppliers have begun building strategic partnerships with intermediaries and third-party logistics providers (3PL) to mitigate the effects of a coming capacity crunch. As Jessop explains it: “Strategic transportation technology and services include value-added services, such as small packaging shipping, freight consolidation, and freight auditing. With dimensional pricing models replacing traditional freight classification, the importance of cost savings cannot be overstated. In other words, auditing and ensuring proper classification can help carriers manage the available space they have. Meanwhile, analytics and insights from Big Data can help shippers identify peaks and contractions in business, helping the industry adapt to capacity changes with more ease.”

Jessop urges suppliers to begin building strategic partnerships with intermediaries and 3PLs or risk finding they have instead laid “the groundwork for bankruptcy and layoffs in the coming years, especially if the capacity crunch does occur.” <http://cerasis.com/2017/03/16/freight-capacity-crunch/>.

truck featuring lockers that customers could access with a PIN. <http://www.retailwire.com/discussion/is-googles-self-driving-delivery-truck-the-future-of-the-last-mile/>.

Robots and other wheeled, autonomous drones intended for local delivery use are in testing and may soon become commonplace in urban neighborhoods. (See *BMR* 03/27/2017, p. 8.)

Meanwhile, UPS has been making other moves to hold on to its edge in delivery. In February, the company announced that it would be beginning Saturday delivery in some urban markets. <http://www.usatoday.com/story/money/2017/02/22/united-parcel-service-ups-saturday-delivery/98243198/>.

The big brown trucks and the genius of logistical solutions could be a first step into a new world of unmanned delivery vehicles. <http://www.retailwire.com/discussion/can-ups-fly-past-amazon-in-drone-delivery/>.

## Drones in Dressing Rooms?

Wal-Mart has patented a system for deploying drones to operate inside of its stores, moving products between departments and landing in dedicated areas to drop off items to employees or customers, *Fortune* reports.

Wal-Mart stores, as currently designed, offer abundant airspace in their cavernous warehouse structures that could serve as a controlled arena. Under the patented system, a Wal-Mart store would

have an automated technique for operating the drones, dispatching them, and controlling their flight paths from atop store shelves to designated landing pads.

It is unclear from the article whether or not the drones would bring “buy-online-pick-up-in-store” goods to employees in the customer pick-up area or deliver the next size larger of an item to the dressing room. <http://fortune.com/2017/03/17/walmart-drone-delivery-patent/>.

## Exploring New Postal Business Plans

Correios, a Brazilian postal service, launched its own mobile virtual network operator service, according to *ZDNet*. This phone service model buys up bandwidth from carriers and resells it under its own brand. Correios hopes to grow its business to 8 million subscribers by 2022.

Correios has had its sights on a broader business plan that might diversify its revenue sources. The postal service has operated at a loss—losing about \$636 million in revenue over the last couple of years.

Telecom Italia’s carrier will provide the service

for Correios Cellular, which has partnered with Surf Telecom to distribute the network. <http://www.businessinsider.com/correios-brazilian-postal-service-launches-mobile-phone-carrier-service-2017-3>.

The USPS also has sought new freedom to expand its business plan to include services well suited to its existing footprint, such as banking services in traditionally underserved areas; delivery of now prohibited packages, such as alcoholic beverages; and telephone services.

## Special Handling of Drug Dealers

Federal agents have investigated packages suspected of containing narcotics, including requesting court approval to halt packages suspected of having been sent for drug trafficking. Washington, D.C.’s News4 I-Team recently conducted an investigation into illegal mail shipments of marijuana and found a nationwide surge in drug deals involving use of the mails.

The distribution of drugs by mail is a federal crime when narcotics cross state lines. The U.S. Postal Inspection Service works with other federal agents to identify and enforce federal laws against drug trafficking. The I-Team reports that, “Federal auditors report almost 35,000 pounds of marijuana was seized from U.S. Postal Service parcels in 2015.”

Investigative journalist Scott MacFarlane and his team recently examined warrants and learned that drug traffickers tend to follow a certain customs they hope will render their packages unidentifiable in the stream of U.S. mail handled each day. “The packages include ‘heavy taping,’ feature addresses from states in which marijuana is legalized and often use the U.S. Postal Service’s ‘click and save’ stickers, which investigators said are added to make illegal parcels appear to be legitimate business packages.”

Drug traffickers choose to deliver via mail

because they perceive their risks of detection diminished by having the USPS carry them. They also may have drugs delivered to a home vacant during the day. Drug recipients can watch for delivery to a porch and collect the drugs without risk that a shipping label can be used to track the drugs to them. <http://www.nbcwashington.com/investigations/Marijuana-by-Mail-Surge-in-Drug-Deals-Conducted-Through-US-Postal-Service>.

Investigators have caught drug traffickers by observing other small details of their customers’ behavior. As an example, a New Jersey man recently was arrested and charged with distributing narcotics after employees “noticed that he was mailing a large number of envelopes while wearing latex gloves.” <http://www.bankinfosecurity.com/alleged-darknet-drug-trafficker-busted-over-latex-gloves-a-9782>.

This month’s New Jersey arrest of the man in the latex gloves was for “one count of conspiracy to distribute large quantities of a substance akin to fentanyl, a powerful synthetic opioid that’s 50 to 100 times more potent than morphine,” reports *Bank Info Security*.

*Leafly.com* reports that “On average, 1,000 suspects are arrested by postal inspectors each year for trafficking drugs and laundering drug money via the U.S. mail.” [www.leafly.com/news/cannabis-101/mailing-cannabis-through-usps](http://www.leafly.com/news/cannabis-101/mailing-cannabis-through-usps).

**Briefs**

Shipt has partnered with Costco Wholesale to bring the warehouse retailer’s products to customers in the Tampa metro area. Shipt, an online grocery marketplace and delivery service, has a mobile app that lets members shop, note any preferences, choose a one-hour delivery window, and pay for their order. During the test in Tampa, residents can try Shipt for two weeks for free and receive \$15 off their first order. Shipt memberships with unlimited free deliveries are available for an annual fee of \$99.

Shipt also said it is planning many other strategic initiatives for later in 2017, including making its services available in fifty markets and to more than 30 million households by year’s end. <http://www.marketwired.com/press-release/shipt-adds-costco-to-expanding-delivery-business-2204199.htm>.

Neiman Marcus has agreed to settle for \$1.6 million class-action negligence claims resulting from a 2013 data breach. Claimants alleged the breach exposed the credit and debit card data of about 350,000 shoppers. Thieves made unauthorized charges using the stolen data. The retailer said it learned of the crimes from its credit card processor after the processor identified questionable in-store purchases. Neiman Marcus announced the breach to the public in January 2014.

Court documents show Neiman Marcus filed the settlement agreement and asked the federal judge for approval of the settlement agreement.

Hola, Amazon compradores. Consumers shopping *Amazon.com* now may select to view the site in English or Spanish. The update will be widely available in the coming weeks. The Amazon Shopping mobile app also will be bilingual.

In 2015, 40 million U.S. residents age five or older spoke Spanish at home, according to the U.S. Census Bureau, up 131.2% from 1990. The Census Bureau estimates nearly 133 million residents will speak Spanish at home in 2050.

Amazon already serves customers in other languages in some other nations. *Amazon.ca* is available in English and French. *Amazon.de* is available in German, Dutch, Polish, Turkish, and English.

*Buzzfeed* reported on March 20 that DoorDash’s human couriers would begin working alongside robots as they made deliveries. The company will employ a small fleet of six-wheeled delivery robots in Redwood City, Cal. Starship Technologies built the robots, which will roll around sidewalks carrying food one-to-two miles from restaurants to customers. “The company recently started testing the robots in Washington, DC. And robot-maker Starship Technologies is currently working with Postmates, another on-demand delivery company, to add robot deliveries to its service too.” [https://www.buzzfeed.com/alexkantrowitz/doordash-will-start-delivering-food-via-robots-in?utm\\_term=.pbmJDex7q#.xfaoG4xBz](https://www.buzzfeed.com/alexkantrowitz/doordash-will-start-delivering-food-via-robots-in?utm_term=.pbmJDex7q#.xfaoG4xBz).

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