

BUSINESS NEWS

FedEx and Shipper Set Pact

French company to buy Supply Chain as companies chart commercial plans

By Freddy Sebastian

French shipping company **CMA CGM** agreed to acquire **FedEx Supply Chain** for \$1.4 billion, including debt.

Following the deal, the companies will enter into multiyear commercial agreements related to air and ocean freight, they said.

CMA CGM will offer ocean transport and carrier services under a nonexclusive agreement with FedEx and the companies will also work together on select air-cargo capacity solutions.

Overall, the combined entity would operate about 150 warehouses, expanding the overall presence of CMA CGM subsidiary CEVA Logistics in North America to a combined workforce of 20,000 people



CMA CGM's container ship Christophe Colomb will help drive the FedEx commercial agreement.

located at more than 240 locations.

The deal is slated to close this year, subject to customary approvals. The air cargo

and ocean freight agreements are expected to begin in different phases through 2028.

FedEx Supply Chain was previously known as Genco

and acquired by FedEx in 2015. The company specializes in fulfillment, distribution, warehousing and transportation management.

Alibaba, Processor To Settle DOJ Probe

By Elias Schisgall

Alibaba Group and a U.S. payment processor agreed to pay \$600 million to resolve allegations from the Justice Department that they allowed merchants to sell and import illegal pharmaceuticals and other restricted items into the U.S.

The operator of Chinese e-commerce site Alibaba.com admitted it failed to prevent merchants from engaging in around 80,000 sales that involved importing illegal items into the U.S. as part of a nonprosecution agreement, the DOJ said.

Those products included illegal pharmaceuticals, pharmaceutical counterfeiting equipment, and listed chemicals, and had a combined gross merchandise value of about \$200 million, the DOJ said. The sales took place between 2016 and 2024.

The company's failure to prevent those transactions violated the Federal Food, Drug, and

Cosmetics Act, the DOJ said.

Though the company had policies to restrict the sale of prohibited problems, some employees voiced concerns that those protections were inadequate, the DOJ said, adding that Alibaba also offered a private-messaging service that some merchants used to set up sales of illegal products.

Alibaba didn't respond to a request for comment.

The U.S. payment processor, AUS Merchant Services, also admitted its anti-money-laundering compliance program and transaction-monitoring system failed to prevent illegal sales, the DOJ said. It added that after merchants had been identified as selling illegal goods, AUS didn't systematically restrict their activity and instead referred them to Alibaba.

AUS is a subsidiary of **Ant Group**, the DOJ said. Ant Group didn't respond to a request for comment.

Honeywell Aerospace CEO: AI Isn't Ready for Cockpit

By Drew FitzGerald

Honeywell Aerospace has flown the nest.

Long part of industrial conglomerate **Honeywell International**, the company completed its spinoff Monday into a stand-alone manufacturer focused on things that fly—working on everything from cooling airplane cabins to guiding the National Aeronautics and Space Administration's Artemis II mission past the moon.

The industries the Phoenix-based company serves, commercial air travel and defense, are both booming. They also face supply-chain challenges and demanding customers, including a U.S. president who has complained about contractors' pace of production.

Jim Currier, a nearly 20-

year Honeywell veteran who has led its aerospace operations since 2023, said the new, "hyperfocused" company can more effectively allocate capital to meet the moment.

The Wall Street Journal spoke with the chief executive about tackling the supply chain, navigating Pentagon demands and where artificial intelligence fits into aviation. Here are edited excerpts of the conversation.

WSJ: What role should artificial intelligence play in commercial jet avionics?

CURRIER: There's definitely a play for artificial intelligence, but you need to be exceptionally careful with the introduction of AI into product design to ensure it is done in the safest manner possible.



Jim Currier, Honeywell Aerospace chief executive

We are using AI to do iterative designs on next-gen systems in a much more expeditious manner. What would have taken an analytical assessment weeks to complete

now can be done literally in hours or in mere days. Teaching those tools how to design for safety, how to design for performance, but most importantly, how to design for manufacturing capability—because the differentiator for the future is not just going to be built around innovation and technology.

Introducing products at speed and being able to manufacture at scale new products and new technologies is really what's going to become a differentiator.

It's still early stages to incorporate that inside of a cockpit, but there are autonomous capabilities and features and functions, non-AI centric, that can enhance safety and pilot situational awareness and reduce the crew workload.

WSJ: You met with President Trump last week to discuss the Pentagon's efforts to ramp up missile production. What did you hear from the administration?

CURRIER: 40% of our business is defense, and we spend a lot of time both within this administration and the Pentagon. We are exceptionally well positioned on virtually every fixed-wing defense product, helo, missile system. The demand is very strong, and we are making the necessary investments.

We signed a framework agreement between ourselves, the Department of War, RTX and Lockheed Martin. That's to enable speed and agility in terms of investment, to drive the ability to increase production rates on these precision-guided systems by 2x to 4x.

WSJ: You're making those investments using your own balance sheet. What happens if defense spending recedes?

CURRIER: [While] 40% of our business is defense, 30% of that business is international defense. Those are direct sales that we make to ministries of defense, our NATO allies and our partners, as well as international defense prime companies.

WSJ: The Trump administration has called out some defense companies' spending on buybacks and dividends. Is that a concern for you?

CURRIER: I don't anticipate that being an issue, because we're going to focus on driving capitalization and investments to drive output, which is what the Pentagon and this administration wants to see.

RON PERLMAN, FOR **PETA**

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Thomas Hillery is a distinguished professional who brings creativity and innovation to both technological and entertainment sectors, with more than 12 issued U.S. patents (and one allowed). His four most recent patents are designed to remove the burden of recharging electric vehicles (EVs) from the driver and make them more consumer-friendly. The new system is composed of modular batteries that power the cars through a system of sequential battery usage. Current EVs rely on one large, heavy battery. The new design uses smaller, manageable batteries and simple connections that do not require tools. Drivers will not have to schedule their days around recharging. The need for new and expensive charging infrastructure will be practically eliminated.

Mr. Hillery has also patented the easy-access smoke detector, which brings the life-saving home fire safety devices into alignment with the Americans with Disabilities Act (ADA) for the first time. The warning lights and batteries are set in the wall (at ADA-standard heights for light switches), so everyone can check their smoke detectors and replace low batteries without having to climb ladders to reach detectors mounted on the ceiling. See www.thesmokedetector.org for more information.

Mr. Hillery dedicates significant time to projects improving everyday comfort for consumers. One such project was the invention of a flexible telephone – the Flexiphone – that conforms to the contours of the body rather than pressing against them (flexible, not foldable). His concept earned recognition and encouragement from a technology giant, Apple co-founder Steve Wozniak.

Beyond his technological prowess, Mr. Hillery has worked as an executive producer, director and writer for Starlight Productions, a Nevada-based production company. Projects include such works as "Project Solitude: Buried Alive," "Looks Can Kill," "Honey Trap," and "The Legion," among others. He was also the executive producer of "The Las Vegas Rocks Radio Show," which showcased the extraordinary range of talent performing in the entertainment capital of the world.

Mr. Hillery's human-centered designs and unwavering pursuit of innovation are inspired by his academic foundation, which includes a bachelor's degree in economics from Clark University and a master's degree in liberal arts from Harvard University. Mr. Hillery's background – combined with knowledge of financial planning and trends in popular culture and entertainment – has enabled him to develop a holistic, well-rounded approach to production and innovation.

Outside of his professional work, Mr. Hillery is dedicated to community service. He was elected to three terms on the board of property tax assessors in Sudbury, Massachusetts. In Nevada, he is involved with the World Affairs Council and sponsors the Bob Maheu Group. Mr. Hillery is a member of the Harvard University Faculty Club and the Harvard Clubs of Boston, New York City and Nevada. Each year, he also promotes academic achievement by presenting the Paul F. Hillery Scholar Athlete Award (Hillery Award) to the top student/athlete at the Rindge School of Technical Arts, part of the Cambridge Rindge and Latin School of Cambridge, Massachusetts.

Mr. Hillery's immediate goal is to increase EV sales by working with an existing EV manufacturer. He also wants to enhance fire safety to reduce fatalities, property loss and expenses to insurance companies. He believes that the best way to protect people and the environment is through innovation and collaboration. Service to customers is the key to any successful business. His professional undertakings have been informed by his emphasis on creativity, discipline and purpose, values he has embodied throughout his career. **DL**

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