

Frankfurt > June 14, 2010

Air freight security:

What are the requirements that approved Known Shippers need to fulfil?

Dear Customer,

with the previous Cargo Updates on air freight security, DHL Global Forwarding gave you comprehensive information about the changes that became effective on April 29, 2010. We especially focused on the issues concerning the last-minute approvals as *Known Shipper*, still carried out by a *Regulated Agent*, and the operations of “secure” warehousing service providers and carriers. Our Cargo Update from April 15, 2010, gives you an overview about all relevant topics.

By now, most senders that ship air freight on a regular basis will have signed a security declaration so that they are now „safe“ during the transitional period until March 25, 2013. But even a change of the company name, the address or legal status will mean loosing this status as the LBA does not allow any transfers. Also, March 25, 2013 is not that far in the future as it may seem today. Applications need to be filed and security programs to be developed and implemented in order to achieve a new *Approval as Authorised Known Shipper*, centrally approved by the LBA.

The main target is to get a secured status for your export shipments with reasonable effort. *Unsecured* does not only mean additional expenses for an x-ray check – in some cases it could lead to severe time delays and disruptions in the supply chain. An example are packed machine parts that won't fit into the available scanners – this will result in time-consuming hand search or sniffer methods that might even require partial unpacking and repacking of the pieces. Depending on the type of goods and package, this complex operation could even require the presence of your packaging specialist. Please make use of the possibility to talk to our experts at the local office about these topics in advance. Now, it is a necessity to evaluate the pros and cons of a company governed security program against the additional costs and service penalties due to not having the status of an *Authorised Known Shipper*.

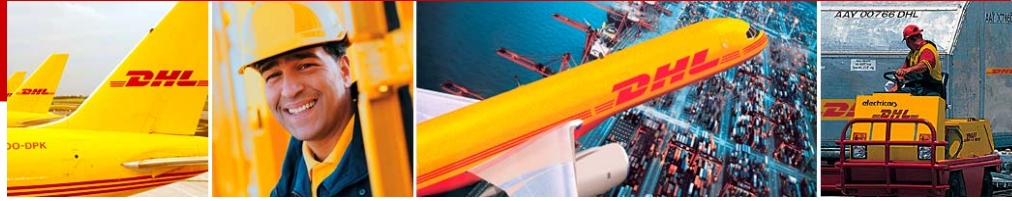
Concrete requirements have not been officially published yet, but in our dialogue with the LBA some key points start to become apparent that we would like you to inform about. Again, we think it is important to start with the necessary preparations right now, and DHL Global Forwarding, already operating as a *Regulated Agent* for a long time, is happy to exchange any experience with you – because the requirements that the future *Authorised Known Shipper* will have to meet are very similar to those of the *Regulated Agent* today.

What are the most important changes for shippers?

Already known for some time is the omission of *Known Shipper status*, as described in our Cargo Update from March 15, 2010: Up to now, the status *Known Shipper* with corresponding security status was approved by a *Regulated Agent*. In more specific terms, you submitted your security declaration to DHL Global Forwarding, and DHL Global Forwarding, acting as *Regulated Agent*, then approved the known locations of your company as *Known Shippers*.

DHL Global Forwarding Germany

Cargo Update



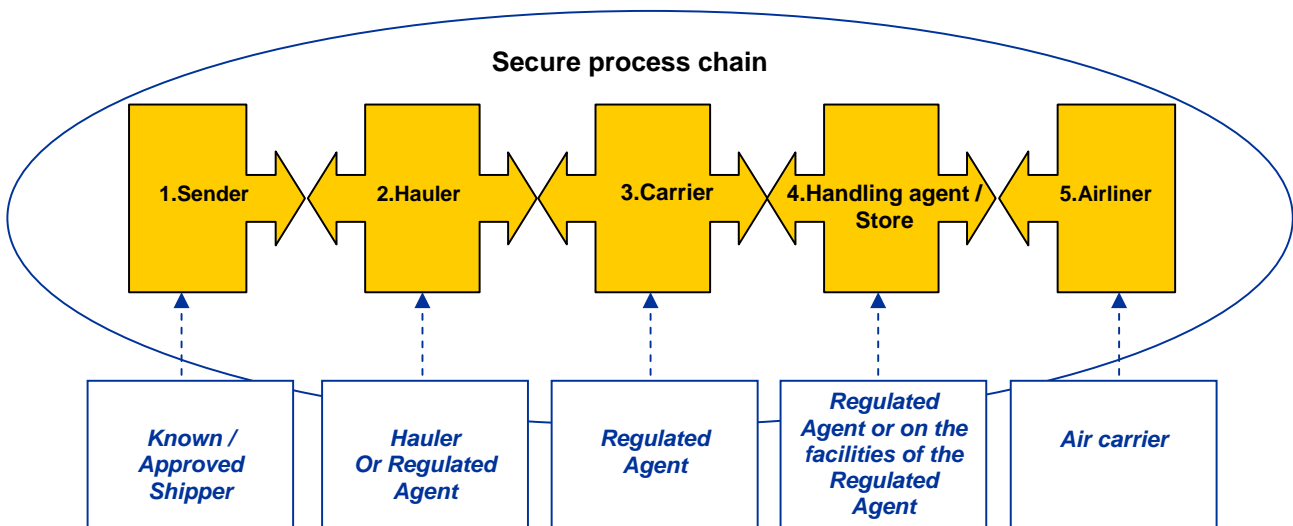
Starting April 29, 2010, this decentralised process will be replaced by a central approval procedure carried out by the LBA. From then on, there will be no new *Known Shippers* anymore, but *Authorised Known Shippers* instead. A central EU database will be installed that lists and publishes all *Authorised Known Shippers* from all member states. The status of an *Authorised Known Shipper* is considered approved as soon as it is published on this database.

For hiring road haulier there are no substantial changes: Until now, the road haulier had to verify his security status by providing a subcontractor's declaration and driver lists. Since April 29, he signs a transportation declaration with similar contents.

If you assign a packaging company which does not have a security declaration, this must have the status of a *Regulated Agent* in order to accept shipments as secured cargo.

This is a similar procedure to handling agents and warehouse operators, which are also subcontracted by DHL Global Forwarding: These are almost all *Regulated Agents*. In some cases, if handling takes place on our own premises, they can be secured by documented (!) supervision and control of another *Regulated Agent*.

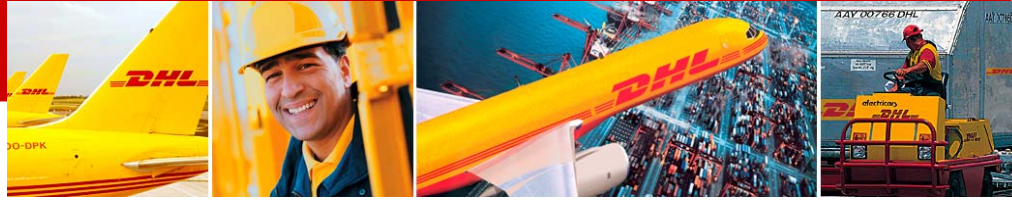
New EU Regulation



The liability of the sender, logistics service provider or carrier for securing the transport chain in airfreight exports ends with the proper handover of the goods and their documentation to the airline or their handling agent with known status.

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How do you become an *Approved Known Shipper*?

First, you have to file an informal application at the LBA. This application should list the locations to be included in the approval. You do not have to approve all locations, especially those without airfreight shipments. But please note that both administrative (shipping management) as well as operational processes (final assembly, commissioning, handling, transportation) and their according locations need to be approved. A list of the logistics service providers is not necessary as approvals are now granted centrally and are not linked to any special service suppliers.

As mentioned before, the exact specifications and requirements have not been defined yet, thus we can presently only provide suggestions based on our conversation with the LBA. As soon as new details are published by the LBA, we will update you again. In addition, you can register for the LBA newsletter yourself by sending an informal email to regb@lba.de.

To become an *Approved Known Shipper*, it is likely that there will be similar, somewhat less tight requirements as for the *Regulated Agent*:

1. Security program

- a. Development of a dedicated *Air Cargo Security Program*
- b. Documentation of – and compliance with – secure processes
- c. On-site audits by the LBA (approval and inspection, in regular intervals)

2. Staff

- a. Appointment of an airfreight security agent and deputy
- b. Instruction of all employees that are involved in the operational or administrative airfreight export processes
- c. Safety check of the staff

3. Infrastructure / facilities

- a. „Secure facilities“; lockable export facilities
- b. Security controls for entering the export facilities
- c. Escorting of visitors

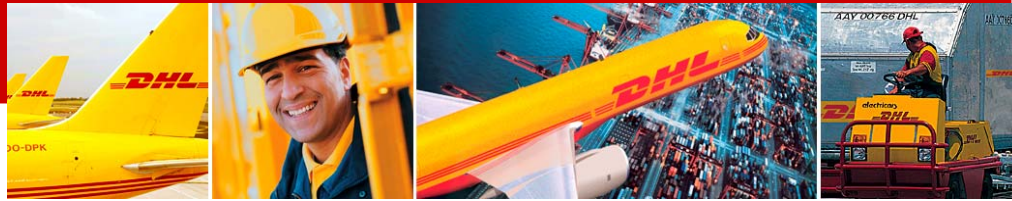
4. Packing

- a. Tamper-resistant packaging
- b. Easy access for scanners/sniffer (if applicable)

Below, we describe the main elements of our air cargo security program as a *Regulated Agent*, including daily control routines, to give you an impression of the requirements that secure processes have to meet.

DHL Global Forwarding Germany

Cargo Update



1. Air Cargo Security Program

The table of contents of our *Air Cargo Security Program* shows the outline of our activities. These include not only the documentation of processes, but also a description of the security measurements for every location, i.e. details and access regulations of the locking system. All this is verified during the LBA audits.

Dokument	Luftfracht Sicherheitsprogramm		Seite	1 von 2
Kapitel	1	Liste der gültigen Kapitel	Datum	26.01.2010
			Version	03



Dokument	Luftfracht Sicherheitsprogramm		Seite	2 von 2
Kapitel	1	Liste der gültigen Kapitel	Datum	26.01.2010
			Version	03



Liste der gültigen Kapitel

Bei Änderungen in der Dokumentation werden alle Seiten des/der betroffenen Kapitels resp. Unterkapitels ausgetauscht. Außerdem ist die Inhaltsübersicht zu aktualisieren. Alle geänderten Kapitel sind mit dem neuen Revisionsstand und Datum zu versehen. Die geänderte Dokumentation muss vor der Veröffentlichung dem LBA zur Freigabe vorgelegt werden.

	Revision / Datum
1 Liste der gültigen Kapitel	01 / 15.12.2009
2 Kontaktdaten	
2.1 Luftfrachtniederlassungen	02 / 26.01.2010
2.2 Sicherheitsbeauftragter und stv. Sicherheitsbeauftragter Gesamtunternehmen	02 / 26.01.2010
2.3 Niederlassungsbeauftragte	02 / 26.01.2010
3 Verbindlichkeitserklärung	01 / 15.12.2009
4 Selbstdarstellung des Unternehmens	
4.1 Allgemeiner Teil der Selbstdarstellung	01 / 15.12.2009
4.1.1 Organisation des Unternehmens	
4.1.2 Verantwortlichkeiten im Unternehmen	
4.1.3 Qualitätssicherung	
4.2 Spezieller Teil der Selbstdarstellung	02 / 26.01.2010
4.2.1 Übersichtspläne	
4.2.2 Pläne der Betriebsgebäude	
4.2.3 Pläne der Umzäunung, der Zugänge und Zufahrten	
4.3 Zutritt, Alarm Und Sicherungsmaßnahmen	01 / 15.12.2009
5 Personal	01 / 15.12.2009
5.1 Überprüfung der Zuverlässigkeit des Personals	01 / 15.12.2009
5.2 Schulungsmaßnahmen	02 / 26.01.2010
6 Bekannter Versender	01 / 15.12.2009
6.1 Anerkennung als bekannter Versender	02 / 26.01.2010
6.2 Aufgaben / Verantwortungen des bekannten Senders	01 / 15.12.2009
6.3 Kontrolle der Einhaltung der Vorgaben	03 / 26.01.2010
6.4 Gründe für eine mögliche Aberkennung des Status als bekannter Versender	01 / 15.12.2009
6.5 Liste bekannter Versender	02 / 26.01.2010
6.6 Dreiecksgeschäfte Neutraler Versand	01 / 15.12.2009
7 Unterauftragnehmer (UAN)	01 / 15.12.2009
7.1 Anforderungen an unsere Unterauftragnehmer / Verpflichtung	01 / 15.12.2009
7.2 Kontrolle der regelmäßig eingesetzten Unterauftragnehmer	01 / 15.12.2009
7.3 Reglementierte Beauftragte als UAN	01 / 15.12.2009
8 Frachtabwicklung	02 / 26.01.2010
8.1 Abholung der Fracht	02 / 26.01.2010
8.2 Annahme der Fracht	02 / 26.01.2010
8.3 Anlieferung und Beförderung der Fracht	02 / 26.01.2010
8.4 Aufbereitung und Bearbeitung der Fracht	02 / 26.01.2010
8.5 Lagerung der Fracht	02 / 26.01.2010
8.6 Übergabe der Fracht	01 / 15.12.2009
8.7 Regelungen bei Transfer- bzw. Transitfracht	01 / 15.12.2009
8.8 Beförderung von Frachtsammelsendungen	02 / 26.01.2010

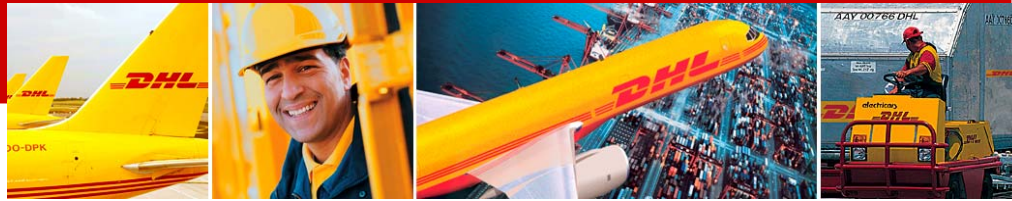
9 Sicherheitskontrollen	01 / 15.12.2009
9.1 Kontrolle vor der Annahme von Luftfrachtaufträgen	01 / 15.12.2009
9.2 Kontrolle von anliefernden Fahrzeugen und deren Fahrer	01 / 15.12.2009
9.3 Kontrolle vor der Entgegennahme von Luftfrachtsendungen	01 / 15.12.2009
9.4 Durchführung von Sicherheitskontrollen	01 / 15.12.2009
9.5 Sicherheitslagerung	01 / 15.12.2009
9.6 Sicherheitsmaßnahmen für den Transport	01 / 15.12.2009
9.7 Dokumentation der Sicherheitsmaßnahmen	01 / 15.12.2009
9.8 Zuständigkeit / Befugnis für die Durchführung von Kontrollen	01 / 15.12.2009
10 Sicherungsmaßnahmen	
10.1 Sicherheitskritische Fracht	01 / 15.12.2009
11 Begriffsbestimmungen	01 / 15.12.2009

Floor and building blue prints have to be supplied with a detailed description of all access routes and facilities (storage and offices) that are used for airfreight export as well as security systems – locked doors, alarms, video surveillance etc. Apart from the chapters on *Subcontractors* (new: *Haulers*) and *Known Shippers* (new: *Approved Known Shippers*) that describe the regular inspection of their status, the chapters on freight handling and safety controls are of vital importance: They present information on the shipment handling procedures and their documentation in detail. These procedures and the compliance to them are a main topic of the on-site LBA audits.

The description also includes internal control and monitoring procedures, for example audits and check-up procedures for agreed security measurements. Haulers (delivering to the distribution centre or forwarding to the air carrier) have to be approved by a hauler's declaration.

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TRANSPORTEURSERKLÄRUNG

Name und Anschrift des ausstellenden Transporteurs

Gemäß der Verordnung (EG) Nr. 300/2008 des Europäischen Parlaments und des Rates zur Festlegung gemeinsamer Vorschriften für die Sicherheit in der Zivilluftfahrt und ihrer Durchführungsbestimmungen bestätige ich, dass bei Abholung, Beförderung, Lagerung und Zustellung der Luftfracht/Luftpost, die im Namen von DHL Global Forwarding GmbH Sicherheitskontrollen unterzogen wurde, folgende Sicherheitsverfahren eingehalten werden:

- alle Mitarbeiter, die diese Luftfracht/Luftpost befördern, werden eine Schulung des Sicherheitsbewusstseins erhalten haben,
- die Integrität aller Mitarbeiter, die eingestellt werden und Zugang zu dieser Luftfracht/Luftpost erhalten sollen, wird überprüft. Diese Prüfung umfasst zumindest eine Überprüfung der Identität (möglichst anhand eines Personalausweises, Führerscheins oder Reisepasses mit Lichtbild) sowie eine Überprüfung des Lebenslaufs und/oder der vorgelegten Referenzen,
- die Frachträume der Fahrzeuge werden versiegelt oder verschlossen, Fahrzeuge mit Planenabdeckung werden mit TIR-Seilen gesichert, die Ladeflächen von Pritschenfahrzeugen werden bei Beförderung von Luftfracht überwacht,
- unmittelbar vor dem Beladen wird der Laderaum durchsucht und die Gültigkeit dieser Durchsuchung wird bis zum Abschluss des Beladens aufrechterhalten,
- jeder Fahrer führt einen Personalausweis, Reisepass, Führerschein oder sonstiges Dokument mit Lichtbild mit sich, der/das von den nationalen Behörden ausgestellt oder anerkannt ist,
- die Fahrer legen zwischen Abholung und Zustellung keinen außerplanmäßigen Halt ein. Ist dies unvermeidlich, kontrolliert der Fahrer bei seiner Rückkehr die Sicherheit der Ladung und die Unversehrtheit von Verschlüssen und/oder Siegeln. Stellt der Fahrer Anzeichen von Manipulation fest, unterrichtet er seinen Vorgesetzten und die Luftfracht/Luftpost wird nur mit entsprechender Mitteilung zugestellt,
- die Beförderung wird nicht als Unterauftrag an Dritte vergeben, es sei denn, der Dritte verfügt auch über eine Transporteursvereinbarung mit DHL Global Forwarding GmbH, und es werden keine sonstigen Dienstleistungen (z. B. Lagerung) als Unterauftrag an andere Parteien vergeben als reglementierte Beauftragte oder Stellen, die von der zuständigen Behörde für die Erbringung dieser Dienstleistungen zertifiziert oder zugelassen und in eine Liste aufgenommen wurden.

Ich übernehme die volle Verantwortung für diese Erklärung.

Name:

Stellung im Unternehmen:

Datum:

Unterschrift:

Also, we must ensure that only drivers of the subcontracted hauler, and only drivers that have attended the necessary safety instruction trainings, are operating for us. This is achieved by the use of driver lists with ID number and training logs that the drivers have to sign. Normally, these lists do not have to be in a certain format as long as the necessary content requirements are met. The forms shown here are used by DHL Global Forwarding and can be used as samples – but they are not obligatory.

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LKW Check



Name und Adresse des Lagerbewirtschafters !

Sehr geehrter Herr Kunde!

Im Zuge der EU-Verordnung [EU VO 300/2008](#) ist es erforderlich, dass wir bei Anlieferung Ihre Personalien festhalten. Diese personenbezogenen Daten werden gemäß Datenschutzgesetz absolut vertraulich behandelt und sind nur für den internen Gebrauch.

Datum	
Name	
Vorname	
Geburtsdatum	
Personalausweisnummer	
Führerscheinnummer/Reisepassnummer	F= R=

Der Fahrer konnte sich nicht zweifelsfrei ausweisen

Spedition - LKW	
Frachtführer	
LKW – amtliches Kennzeichen	

Fahrer / Spediteur nicht auf UAN bzw. RB – Liste

Entladetor Nr.:	
LKW verschlossen / verplombt	
Lager Nr.:	

Art der Verpackungsbeschädigung und Stückzahl

- | | | |
|------------------------------------|---------------------------------------|--|
| gerissen <input type="checkbox"/> | Gabelstich <input type="checkbox"/> | aufgeplatzt <input type="checkbox"/> |
| zerdrückt <input type="checkbox"/> | offen <input type="checkbox"/> | naß/feucht <input type="checkbox"/> |
| gebrochen <input type="checkbox"/> | Inhalt leckt <input type="checkbox"/> | leicht beschädigt <input type="checkbox"/> |

Secured Ja <input type="checkbox"/>	Not secured Ja <input type="checkbox"/>
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Unterschrift Lager	Uhrzeit	Unterschrift Fahrer

Neu ab 18.5.2010

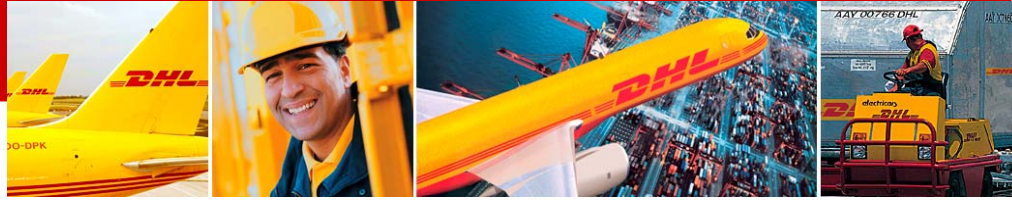
Kapitel 7
Anlage 7.5.3 Sicherh. DHL- Halle Stand. Änderung: 1.9.09 / 31.3.10/20.4.09

As described previously, cargo safety checks will be carried out by x-ray machines or sniffers. Typical x-ray machines can take cargo pieces with a width of up to 140 cm and a height of up to 180 cm, but these figures also depend on the shipment itself. By wiping the cargo with special paper strips or using a vacuum cleaner like apparatus, the sniffer is able to identify the molecular structure of known explosives.

There is no safety storage any more.

DHL Global Forwarding already operates an own x-ray scanner at the central hub in Frankfurt. This enables us to perform safety checks fast and easily without an additional transport to a safety scanning service provider. Again, this is one of our measurements to minimise any runtime delays and additional costs in the supply chain.

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2. Staff

The *Air Security Agent* has to participate in a 35-hour LBA-approved training course. In addition, he will be checked for “reliability” by the registry office. Once all these procedures have been performed with positive results, he is granted the appropriate licence by the LBA. There is one *Air Security Agent* for every single export location.

Other personnel dealing with airfreight export receive a three- to four-hour instructional training performed by qualified staff, normally the *Air Security Agent* of the location. These trainings have to be repeated at least every five years.

Please note that the specifications on staff training are currently revised to meet the EU regulations 300/2008 and 185/2010.

Prior to employment, a police clearance certificate needs to be obtained.

3. Infrastructure / facilities

Securing the premises as a whole is not required. But all entries to the offices where exports are processed, as well as all storage facilities where export goods are handled, have to be properly secured.

Generally, this means closed locking key systems and strict control of key issuing and return. Also, all premises have to be locked outside the office hours. In the storage facilities, especially emergency doors have to be secured against unauthorised access, and all gates have to be kept closed.

Untrained personnel are never allowed to enter any office or storage facility without escort or supervision. This also applies to any maintenance work, i.e. on the electrical or IT installations, by outside companies. Another possibility is to safely lock any documents and goods, but this surely is not always possible or feasible.

The *Regulated Agent* also has to make sure that cleaning staff never enters the offices or storage facilities without supervision. In case no sufficient securing of documents and goods is possible, cleaning staff must only enter the facilities under supervision, for example during the office hours. At present, any other options are not tolerated.

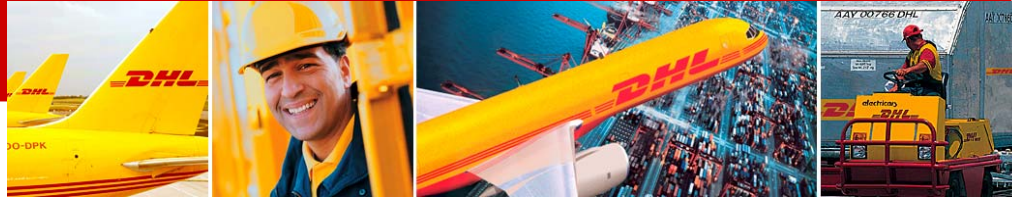
4. Packaging

“Tamper-resistant” packaging is simpler in practice as it may seem at first. Tightly closed packing units, sealed with a material that cannot be opened without leaving traces (i.e. a strong adhesive tape), are considered secure. However, it is not easy to give general answers here. If in doubt, please contact your local DHL Global Forwarding office. We are happy to assist you in a thorough evaluation of your packaging process and material.

Transport security is of even more importance than it already was before. Any damages to the package that could allow access to the goods inside, lead to an *unsecured* classification. Thus, in addition to the potential damage of the goods, there is also the risk that all the security measurements for unsecured goods will be applied to your shipment. Thus, in case you use your own haulers, please make sure that maximum transport security is ensured.

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Summary

Being a *Regulated Agent*, our *Air Cargo Security Program* effectively means that we are implementing a kind of additional quality management program. **Similar, albeit somewhat weaker requirements will apply to the approval as *Authorised Known Shipper*.**

This overview should give you an impression of the complexity of such a program. Some requirements will be fulfilled in your company already anyway, for example documented access control. Yet still, there may be areas that require your attention prior to getting an approval.

You should think about your application in due time: How many export shipments do you handle? What are your customers' requirements regarding speed of delivery? In case a manufacturing plant comes to a halt because of a missing part, any delays due to additional security measurements could be very critical.

Please also note that building up such a quality management program will need some time. Probably there are decisions within your company's structure that have to be made in due time, partners are involved, and much more. The implementation might also cause some additional expenses such as changing the technical equipment of your facilities.

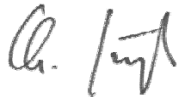
The date – March 25, 2013 – should give you enough time to successfully apply for the approval. Let us make the best use of this time. In case of any further questions, please contact your local DHL Global Forwarding office. We are looking forward to assist you.

Yours sincerely,

DHL Global Forwarding



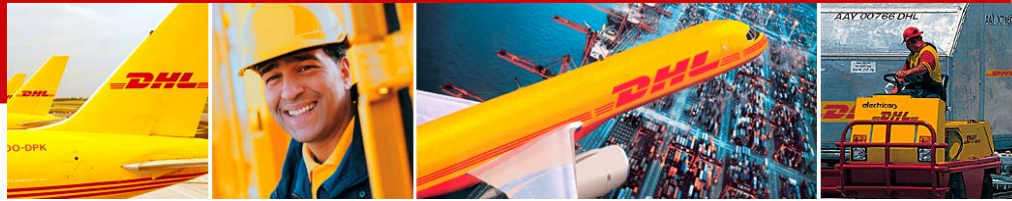
Thilo Specht
Vice President
Marketing & Sales
Germany



Christian Stingl
Vice President
Air Freight
Germany



Dr. Jürgen Klenner
Vice President
Strategy & Program Management
Air Freight Security Germany



Frequently asked questions

Can I still sign a security declaration with a *Regulated Agent*?

No. The deadline on April 28, 2010 has expired and the LBA does not accept any exceptions. To control that this deadline has been met, lists from all current *Known Shippers* had to be sent to the LBA at the beginning of May.

What can I do if my customer demands a hauler that has no security declaration from me?

First, you should point out the additional expenses and possible service penalties involved with this, so that your customer is able to evaluate his decision. In case he still insists on his hauler, the shipment has to be handled as *unsecured* and safety measures have to be taken during its handling accordingly.

At the same point, you should inform him about the possibility to avoid all these additional efforts in case he lets you select a hauler that you have a valid security agreement with.

Do already filed security declarations have to be approved by the LBA again?

No. By filing your application as a *Regulated Agent* to the LBA, its validation throughout the transitional period until March 25, 2013 has been ensured.

Do I have to apply as an *Approved Known Shipper*?

No. Basically, it is your own decision if your shipment volumes and the demands of your customers regarding delivery times necessitate this step.

Is there a checklist for the approval as an *Approved Known Shipper*?

Not yet. As soon as the LBA publishes the detailed specifications on this, we will give you this information.

When will the central EU database listing all *Approved Known Shippers* be available?

This list shall be made available on the internet on June 30, 2010. Access will be granted by the LBA on request to the staff of *Regulated Agents*.

Does the sender need to control the *Hauler and drivers*?

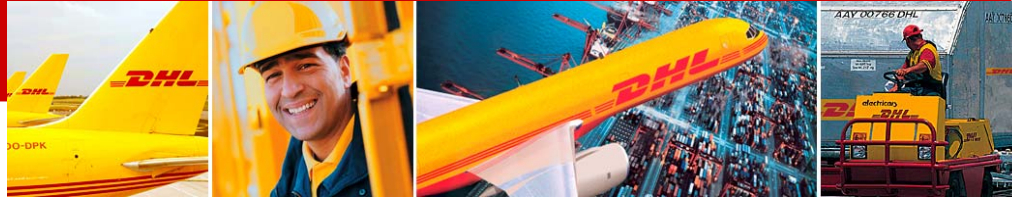
To date, not. This check is performed by the logistics provider upon delivery, or implemented through the use of known haulers and registered drivers.

However, it is likely that there will be a mandatory interface control in future.

Are deliveries by CEP service providers secure?

Generally: No. The big CEP service providers are *Regulated Agents* and the international transports are secured, normally by security measures performed in the big hubs. But national transports, for example from your warehouse to the forwarder's dispatch facilities, are usually not secured: The drivers have no training in airfreight security. Also, drivers change often and they may not be registered with ID number by sender and forwarder, so there is no possibility of the necessary security controls. Thus, all CEP deliveries are treated as *unsecured* by DHL Global Forwarding.

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In case you have very big shipments by CEP, please contact us. Probably an arrangement can be made, provided that the goods are delivered to us on a direct route by a fixed driver that is trained and controlled accordingly.

DHL Express in Germany fulfils the requirements of a secure delivery chain. Please contact your local DHL Global Forwarding office in case you need a concrete solution so that we can discuss the appropriate interface control and secure delivery.

What does „locked vehicle on delivery“ mean?

Tail lifts need to be closed, vans need to be regularly locked. Truck tarpaulins need to be normally secured – the driver takes the responsibility that there have been no manipulations during the tour.

Do the same security standards apply in Switzerland?

In Switzerland, the new EU regulations are also implemented. So you have no possibility to decrease any security expenses by going for a departure from Swiss territory.

Is the AEO status transferable?

No. Of course, several preliminary steps for the AEO status can also be used for the approval as *Authorised Known Shipper*. But there is no possibility to „transfer“ the AE.