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Significant Changes in the Airfreight EXPORT

Dear Clients,

kindly find in the attachment important information concerning airfreight security.

Resulting problems are known – same were addressed in a letter by the BDI (Association of the German Industry) in a letter to the German Aviation Authority (LBA) – as it appears to no avail, at this moment.

Apart from short notices in respective industry publications, the decisions by the LBA have received fairly little attention. Possibly the judgement about the implications deviate from ours or people hope, that the issues may be solved in a different manner. Or simply: That is the problem of the shipper.

As a matter of fact, we do not know, how the situation may evolve during the upcoming 8 weeks.

Still, we decided to inform you about the decision of the LBA.

The LBA has allowed a special checking procedure to make the airfreight export material “Secure”. This method is called “Sniffen” and allows for checks on the outside of the packing as a tool to identify the material as “secure” in an airfreight sense. Specifically for our clients, this one primary method for the security check.

The permit to use this procedure expires on June 30th.

We do hope, that the LBA does continue to allow employment of this simplified approach, but should be prepared for a difficult situation, in case not.

Greetings from your MLE

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Significant Changes for Airfreight Exports ex German Airports

There are several tools to ensure security for airfreight export shipments.

Core tool is the X-Ray machine to detect explosives in the various packages.

In case this X-Ray process cannot be applied (i.e. the package is too big) or leads to inconclusive results (large black areas prohibit the distinction of individual components), then other checking methods must be utilized.

The process is similar to the passenger flight. At the security gate you and your luggage are being x-rayed. In case of uncertainty, a body search is being conducted and the onboard luggage is being opened and inspected by a security agent. With a swipe on your hands or laptop traces of explosives are checked. Visible at airports of destination, dogs may be used in the search for prohibited items.

The same methods are being employed for checking airfreight packages:

1. X-Ray
 - a. In case of black areas (usually beyond the size of mobile phones):
 - i. Breaking pallets apart and scanning individual cartons
 - ii. Opening the package for a visual inspection
 - iii. Dogs sniffing on the packages
 - iv. Swiping Q-tips on the outside AND on the goods directly to scan for traces of explosives

All of these steps are expensive, time consuming - and for some material not feasible:
How to manually check the contents of a drum with a strongly smelling fluid ?

A couple of years ago the German security agency for the air traffic (Luftfahrt Bundesamt) allowed for a simplification, if the X-Ray process failed to deliver conclusive security:

The "Sniffing" is the swiping of a receptor material (see iv) for analysis of traces of explosives. The simplification consisted in checking the outside packing, only. For many materials, this has been the chosen, simple check method.

In Germany, as of July 2019, this simple checking method is no longer accepted. If "Sniffing" is being used, it must be done on the goods themselves.

As a result, the above mentioned steps must be employed for ALL material to make it "secure", if the X-Ray process alone does not lead to a conclusive result.

Consequences :

- 1.) Many packages will be opened (by specialized packing companies?) and goods be checked by warehouse staff.
- 2.) Pallets will be broken down, cartons or bags be checked individually and perhaps not properly re-assembled.

Resulting are cost increases to the security check and a higher risk of damages to your goods. The checking warehouses must be able to improve their quality to hand over your material to the airlines in clean, complete and safe condition. It can be expected that the time requirement for security check will increase.

Still, for certain material there may not be any type of checking option, at all:

- a. The drum with (dangerous) chemicals cannot be checked manually, unless the warehouse refills the contents in a second, empty drum.
- b. The x-rays may not penetrate larger bags with power or granulate. Again, refilling the contents into other bags seems to be the only solution.

What options are available ?

⇒ **Smaller packages**

If the x-rays cannot penetrate a 20 KG bag, you may have to use 2 KG bags – how to determine the acceptable bag size for the individual product types? Would your production be able to provide this type of packing and your client be able to handle the changed packing style, at all ? The x-ray process would be a multiple of existing procedures with resulting strong cost increases.

⇒ **Send your goods via airports in other EU states**

The EU member states are faced with identical requirements – their methods are different, though. More dogs are being employed or the air from complete trucks is being analyzed in search for traces of explosives. Partially, these methods are not “secure” as per German definition, but in airports in Holland, France or Austria they are legally valid.

These alternative methods allow those airports to declare goods as “secure” in a fairly easy way.

In cases where packages cannot be made smaller or you definitely do not want any opening of outside / inside packaging, a deviation via EU airports seems unavoidable.

This deviation is connected with additional cost and complications – issue bound to become more severe, once more and more German freight is taking this alternative routing.

Likewise, the capacity for checking this additional flow of goods may not be sufficient, resulting in longer and less predictable security check procedures.

⇒ **Apply for the status “Known Consignor”**

It may be, that you experience the following routing for your freight booked via Vienna:
In Germany, your drum with chemicals is deemed “unsecure”. Therefore you truck this to Vienna, conduct the simplified checking at Vienna airport and hand over your goods to Lufthansa Vienna. Lufthansa transports this now “secure” drum to Munich and flies from Munich to Tokyo.

This realistic scenario could lead to the effect, that more stringent security checks are being applied in other EU airports, too. Then, there is the alternative of becoming a “Known Consignor”.

A “Known Consignor” maintains complete control of his goods in production, packing and shipment and prohibits access to the material to any non-authorized person / company.

This status goes hand in hand with a changed documentation and control in your company. Personnel is to be trained and your compliance management needs to have a firm grip on processes.

You can apply to obtain the status of “Known Consignor” at the LBA – Federal Aviation Authority, who advised, that it takes about 3 months for them to check and audit your company. The bigger difficulty may be to achieve the mandatory internal changes within your organisation.

Still, in the long run you may be able to benefit from this step. Having the status “Known Consignor” your shipments are deemed “secure” and you can bypass the security checks at the airport, thus saving quite a bit of money. Considering the potential of further increased security requirements, your exports may be less impacted.

A note of Caution:

You are, indeed, a “Known Consignor” but hand over the goods to a forwarder without the proper security status of “Regulated Agent”, then, automatically, the status of your goods changes from “secure” to “not secure”.

Again, you would be faced with the security checks and might revert to the alternative of shipping the goods via EU airports.

The parallel to the passenger flight: Especially when making a flight to the U.S., airline staff would ask you, whether you packed your suitcase yourself and maintained control of it all the time. If you cannot answer positively, then, most likely, your suitcase will be inspected before the flight.

Having a documented, “secure” supply chain to the airplane is of high significance –so is the choice of your freight forwarder.

The Federal Aviation Authority (LBA) revoked a simplification on airfreight export security checks.

In case X-Ray procedures do not provide sufficient clarity about the secure nature of your shipment, manual and other methods must be employed.

If you want to avoid, that third parties open your packages, or your goods' / packaging's nature make a successful check nearly impossible, we know of 3 possible avenues of action:

- decrease the size of your packages
- exportation via another EU airport
- achieving the status of „Known Consignor“

We tried to present the issue as plainly and practically as possible. Should you like to have legal information, please do not hesitate to contact us. We recommend, too, that you speak with your trade association and with your chamber of commerce.

As soon as we have further, relevant news we will inform you. Likewise we strongly appreciated, if you could let us know about alternative handling you may come across.

We try our utmost to mitigate the impact on your business. Please contact us for checking alternative routings or for any other topics.

The sooner we can find a solution for your exports, the better we can beat the expectable trouble in July.

Frankfurt, 06.05.2019

Your
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