



WORKING PAPER

**DANGEROUS GOODS PANEL (DGP)
MEETING OF THE WORKING GROUP OF THE WHOLE**

Rio de Janeiro, Brazil, 20 to 24 October 2014

Agenda Item 7: Other business

ACCEPTANCE OF MAIL THROUGH EXTRA-TERRITORIAL OFFICES OF EXCHANGE

(Presented by D. Brennan)

SUMMARY

This working paper raises some issues with the acceptance of mail through extra-territorial offices of exchange (ETOE).

Action by the DGP-WG: is invited to discuss the issues raised with respect to ETOE and IMPC to consider if there should be some specific actions, such as:

- Should there be specific reference to ETOE in the Technical Instructions?
- Should the DGP-WG consider establishing a specific group to work with the UPU to properly address the activities of ETOE with respect to dangerous goods in air mail and address the questions raised in paragraph 2.1 of this working paper?

In addition to the safety aspects, the DGP-WG is also invited to consider if the Secretary should be directed to bring the issue of ETOE to the attention of the Aviation Security (AVSEC) Panel.

1. INTRODUCTION

1.1 At the Working Group of the Whole Meeting in Atlantic City, 4 to 8 April 2011 (DGP-WG/11) a working paper was submitted by the Universal Postal Union (UPU) identifying that the member States of the UPU had agreed to a proposal by the UPU to revise the UPU Convention to permit the carriage of small lithium cells and batteries, when contained in equipment, in international air mail. Based on the change to the UPU Convention the DGP-WG was invited to consider revisions to the Technical Instructions to align to the UPU Convention. This proposal was not agreed. (see paragraph 3.5.1 of the DGP-WG/11 Report)

1.2 The proposal at DGP-WG/11 was followed by a further proposal by the UPU that was submitted to DGP/23 (Montreal, 11 to 21 October 2011) (see paragraph 5.1.6 of the DGP/23 Report). The proposal by the UPU to amend the provisions of the Technical Instructions to allow for lithium batteries contained in equipment was not adopted by the DGP as the DGP had concerns at the ability of designated postal operators (DPO) to prevent the introduction of dangerous goods in air mail, other than those dangerous goods specifically permitted by Part 1;2.3.2 and that simply allowing more dangerous goods in mail would not address the DGP's safety concerns.

1.3 Subsequent to DGP/23 a small working group comprising a number of panel members, UPU and representatives from a number of DPOs considered how best to address the DGP's concerns regarding dangerous goods mail, together with what steps by the DPO and UPU would allow for the DGP to agree to the proposed revision to Part 1;2.3.2.

1.4 The result of the work by this group was that a further proposal by the UPU at the First Meeting of the Working Group on Lithium Batteries (Montreal, 6 to 10 February 2012) (see paragraph 3.7.1 of the DGP-WG/LB Report) was agreed and the provisions of Part 1;2.3.2 were revised to allow for no more than four lithium cells or two lithium batteries when contained in equipment to be in a package in air mail. Conditional on this was that all DPOs have their dangerous goods training programmes approved by their civil aviation authority and also that the DPO procedures for controlling the introduction of dangerous goods in air mail be subject to review and approval by the civil aviation authority.

1.5 For the acceptance of packages containing lithium batteries in air mail there was a requirement that the DPO had to obtain a separate specific approval from their civil aviation authority before such packages could be accepted.

1.6 The allowance for lithium batteries contained in international air mail was permitted with effect from 1 November 2012. Since that date twenty DPOs have been approved by their civil aviation authority, although three of those have yet to formally start accepting packages containing lithium batteries.

1.7 Despite the provisions that were adopted into Part 1;2.3 requiring DPOs to implement dangerous goods training as well as procedures for controlling the introduction of dangerous goods in air mail, there have been at least three incidents involving fires from lithium batteries in mail as well as significant quantities of lithium batteries and other dangerous goods detected in air mail. Some of this was at the point of entry into the mail stream, although there have also been significant quantities detected at points of transit and/or destination.

1.8 Two of the incidents where there was a fire or smoke involved mail from entities described as "extra-territorial offices of exchange" (ETOE), which consign mail by air using UPU documentation. Currently the use of UPU documentation is host-country specific.

1.9 These ETOEs are in effect designated operators (DO) that are operating on the territory of another country. There are non-designated operators that operate international mail processing centres (IMPCs). Currently there are approximately 145 IMPC codes listed as ETOEs; they are operated by twenty designated operators in twenty-three countries.

1.10 The issue with these ETOEs and IMPCs is that of regulatory oversight and approval, or rather the apparent lack of oversight and approval by the civil aviation authorities in the States in which they operate.

1.11 A recent incident involving a fire in mail tendered by an ETOE tendered for air transport in Singapore has highlighted a significant safety and security gap that exists with ETOE operations. In this particular incident packages bearing UPU CN 22 labels (the green customs declaration), which had originated in China, were flown from Hong Kong to Singapore as cargo. On arrival in Singapore this cargo was then processed through the ETOE and presented to an operator as mail. During x-ray screening it was identified that many of the mail articles contained lithium batteries, not in equipment. Shortly after being identified and being put aside for follow up, smoke was seen coming from the mail bag. A copy of the report of the incident by the Civil Aviation Authority of Singapore is attached.

2. ACTION BY THE DGP-WG

2.1 The DGP-WG is invited to discuss the issues raised with respect to ETOEs and IMPCs to consider if there should be some specific actions, such as:

- a) Should there be specific reference to ETOE in the Technical Instructions? For example should the Technical Instructions identify that in addition to the approval and review of the DPO that any ETOE operations under the control of said DPO is subject to the same rules and regulations regarding training and procedures for controlling the introduction of dangerous goods into air mail. It could also be considered that an ETOE operation must have their dangerous goods training programme approved and also their procedures for controlling the introduction of dangerous goods in air mail subject to review and approval by the civil aviation authority of the State(s) in which they are operating.
- b) Should the DGP-WG consider establishing a specific group to work with the UPU to properly address the activities of ETOE with respect to dangerous goods in air mail and address the questions raised in subparagraph b) above?
- c) In addition to the safety aspects, the DGP-WG is also invited to consider if the secretary should be directed to bring the issue of ETOE to the attention of the Aviation Security (AVSEC) Panel.

APPENDIX

**INCIDENT REPORT FROM THE CIVIL AVIATION AUTHORITY OF SINGAPORE
INVOLVING UNDECLARED LITHIUM BATTERIES**

DANGEROUS GOODS / MOW INCIDENTS

Date: 30 September 2014

To all Airlines, Ground Handling Agents, Cargo Agents and Shippers

We would like to bring to your attention a recent violation of the Air Navigation Order (ANO) provisions by a cargo agent involved in offering undeclared lithium batteries, classified as dangerous goods, to airlines for carriage by air.

Offering Undeclared Lithium Batteries for Acceptance

2. On 22 August 2014, a mail bag, intended for carriage by air and belonging to a foreign postal operator was offered by a cargo agent to an airline's ground handling agent for acceptance. During x-ray screening, the bag was identified to contain lithium batteries and was isolated for follow up with the cargo agent. Shortly after, the contents of the bag started to combust and smoke emitted from the bag. Ground handling agent staff noticed the smoke and quickly extinguished the combustion which prevented it from escalating into a fire.

3. Subsequent investigation into the incident revealed that the mail bag contained 12 mail packages bearing CN22 postal labels. All the mail packages were found to contain either lithium ion or lithium metal batteries. The descriptions on the CN22 labels show that they were declared as "charger" or "gift". None of the packages complied with the requirements applicable to the carriage of lithium batteries by air.

4. These packages had originated from shippers in China and were transported to Singapore via Hong Kong. In Singapore, the cargo agent sorted and repacked the packages into mail bags and offered it to airlines for carriage by air to various destinations. The cargo agent could have identified hidden dangerous goods based on the description on the CN22 labels of the packages but this was not carried out. As these packages were contained in mail bags and were offered for acceptance as postal mail using postal documents, cargo acceptance staff of ground handling agents was not able to sight the content description of these packages in the mail bags to identify hidden dangerous goods that may be contained in them.

5. By offering undeclared dangerous goods that did not comply with the ICAO Technical Instructions for the Safe Transport of Dangerous Goods by Air (ICAO TI), the cargo agent had violated ANO Paragraph 50E(2) read with Part III of the Nineteenth Schedule (Shipper's Responsibilities).

Summary

6. Shippers, airlines and their agents are reminded to comply with the ANO and the ICAO TI when consigning and transporting dangerous goods by air to/from/through Singapore. Cargo and dangerous goods acceptance staff of shippers' agents and airlines' ground handling agents are also reminded to be vigilant when conducting acceptance checks in order to prevent the carriage of undeclared/misdeclared dangerous goods by air and to identify non-compliances with the ANO and dangerous goods regulations.

7. Except for Singapore Post Limited, which had been granted an approval to carry lithium batteries contained in equipment in postal mail, the carriage of lithium batteries (including those contained in equipment or packed with equipment) by foreign postal operators in postal mail from Singapore is prohibited. Ground handling agents are advised to screen all mail bags for lithium batteries using the x-ray machine prior to loading them onto an aircraft.

8. Airlines, ground handling agents and cargo agents are encouraged to share these information with relevant staff involved in the handling of cargo and dangerous goods. Cargo agents are also encouraged to share this information with your customers.

9. For enquiries, please email to CAAS_Dangerousgoods@caas.gov.sg.