Competition Law Guidelines

Prohibited Agreements and Activities

1. The following types of agreements, whether express or implied, are STRICTLY PROHIBITED:

    a. Any collective agreement concerning prices to be charged for airline services;

    b. Any collective agreement allocating markets, territories, customers, suppliers or agents;

    c. Any collective agreement relating to prices to be paid to suppliers, and any other agreement that is intended to, or that in operation is likely to, harm non-participants, including without limitation any agreement that is intended to, or in operation is likely to, exclude a non-participant from any market; and

    d. Any agreement that is intended to, or in operation is likely to induce airlines or their suppliers or agents to engage in collective anticompetitive behaviour, or to collectively punish any business enterprise for its exercise of independent business judgment.

2. Recognizing that the existence of an unlawful agreement or concerted practice may be inferred from circumstances, including the exchange of information by competitors, discussions or disclosures of the following types of information, are also PROHIBITED, except when such information has otherwise been made public or IATA competition counsel advises that such discussions are legally permissible:

    a. Individual airline fares, rates, charges or surcharges;

    b. Individual airline costs;

    c. An individual airline's intentions regarding increasing, reducing or reallocating aircraft capacity (including entering or exiting routes);

    d. Information on individual airlines customers; and

    e. Any other sensitive commercial or proprietary information that the company would not disclose in the absence of an express or implied agreement to exchange such information for the purpose of reducing or restricting competition in the airline industry.

Welcome and Opening

IATA Air Mail Priorities

- Safety & Security – number one priority!

- Digitalization

- Sustainability

IATA-UPU Collaboration

- IATA Air Mail Board (AMB)

  - Consists of up to 12 Airlines Members who are experts in the air mail field.

- IATA-UPU Contact Committee

  - Members of the AMB also integrate the joint working group IATA-UPU Contact Committee.
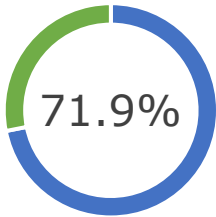
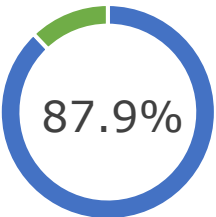# Joint IATA-UPU Expert team Dashboard
September 2024

CARDIT Compliance
*1

71.9%

CARDIT AR flag Compliance *2

87.9%

Timeliness ITMATT to ITMREF Cumulative %	
0–2 hrs.	93.67%
0–4 hrs.	96.03%
0–6 hrs.	97.03%
0–12 hrs.	98.24%
0–24 hrs.	99.11%
0–48 hrs.	99.69%
0-72 hrs.	99.85%
+72 hrs.	100.00%

Items with S10 and items with ITMATT	
Total items with S10	7,468,360
Total items with S10 with ITMATT	4,676,622
Total items with S10 with ITMATT (excluding nature of transaction code «91» for documents)	4,332,938

Filling status (% by status) Total items with S10 with ITMATT (exc. documents)	
ERR (unsuccessful filing)	1.8707%
RFI (open referral)	0.0075%
RFS (open referral)	0.0001%
DNL (open referral)	0.0000%
ASC	98.1080%
Successful filing, pending status	0.0137%

Sources: UPU and IPC
*1 all DOs participating in the UPU Compliance
*2 items sent to the ICS2 area only (except SI and IT)

7th IATA-UPU WEBINAR

📅 Oct 16, 2024 at 13:00 [CET]   Meet the speakers

Matthew Tang,
Senior Manager,
E-Commerce &
Cargo Operations
IATA

Ján Bojnanský,
Coordinator,
Postal Supply
Chain
UPU

Mette Boisen
International
Process Manager
PostNord

William Roach,
General Manager –
Global Postal
Operations
American Airlines

**Bernard
Heuzeveldt**
Project Manager
KLM

Fabrizio Simona
Deputy Head,
Corporate Security
& Safety
Swiss Post

Nermin Hassan
Director,
International
Cooperation
Division
National Post
Organization of
Egypt

UPU UNIVERSAL POSTAL UNION   IATA

7th IATA-UPU WEBINAR

Oct 16, 2024 at 13:00 [CET]

Agenda	Presenter(s)	Time	Duration
Welcome and opening	IATA & UPU	13:00	10 mins
Electronic Data Interchange (EDI) Recommended Practice & how to get started.	IATA-UPU Contact Committee Co-Chairpersons • **William Roach** (American Airlines) • **Mette Boisen** (PostNord)	13:10	30 mins
Air Mail Safety – Lithium Batteries in Air Mail	IATA-UPU Contact Committee Members • **Bernard Heuzeveldt** (KLM Royal Dutch Airlines) • **Fabrizio Simona** (Swiss Post)	13:40	30 mins
Air Mail Security – Designated Operator Sharing	IATA-UPU Contact Committee Member • **Nermin Hassan** (Egypt Post)	14:10	15 mins
Q&A / Closing	IATA & UPU	14:25	5 mins

7ᵗʰ IATA-UPU WEBINAR

Electronic Data Interchange (EDI) Recommended Practice & how to get started

Matthew Tang,
Senior Manager,
E-Commerce &
Cargo Operations
IATA

Ján Bojnanský,
Coordinator,
Postal Supply
Chain
UPU

Mette Boisen
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Process Manager
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National Post
Organization of
Egypt

UPU UNIVERSAL POSTAL UNION   IATA

Electronic Data Interchange (EDI)

Recommended Practice & how to get started

IATA UPU Webinar
16th October 2024

Introduction

- Mette Boisen
  - International Process Manager at PostNord (DK & SE)
  - Together with China Post chair of the UPU Transport group

- Billy Roach
  - Manager, Postal Operations at American Airlines
  - Chair of the IATA Airmail Board

- Together we chair the IATA UPU Contact Committee

What is EDI?

- EDI – Electronic Data Interchange - connects Posts and Carriers
- CARDIT
  - CARrier/Documents International Transport advice
  - Represents the post's expectation of the transport service for the consignment of mail receptacles assigned to the airline
- RESDIT
  - RESponse to Documents International Transport advice
  - Is the positive acknowledgment to the CARDIT reporting the actual status of receptacles in transport
- The EDI guide shows the bigger picture
  - Transport EDI as an integrated part of the postal EDI messages
  - Postal EDI messages vs. Cargo messages
  - The EDI guide is available in English and French

The EDI guide can be downloaded from
UPU: UpuIataIpcEdiGuide2017SpreadEN.pdf
IATA: edi-brochure.pdf (iata.org)
IPC: EDI Support | International Post Corporation (ipc.be)

Why exchange EDI messages?

- EDI messages are/can be used as basis for
  - Performance Management
  - Operational Planning
  - ICS2 filing
  - Accounting
  - Paper free transports
  - Security (risk) assessment
  - Data analytics/statistics
  - Custom services
  - Simplifying processes
 - Align mail and cargo systems/processes
  - Etc.

Why exchange EDI messages?

- EDI messaging is the core pillar of our individual and common business

- Our success, both as individual companies and together depends on the EDI message exchange and the quality of them

EDI
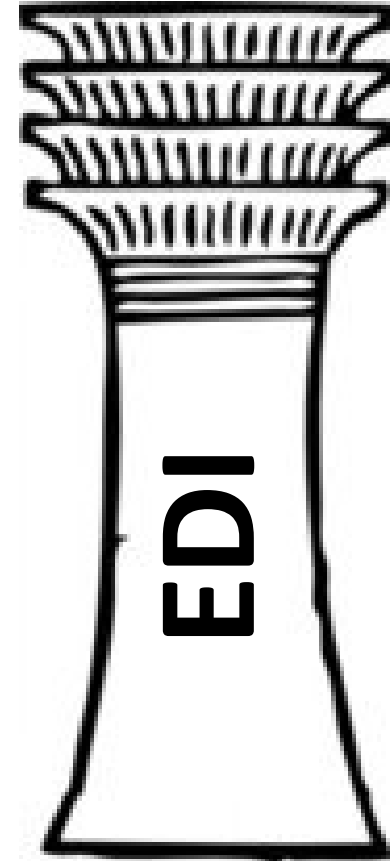
CARDIT

- CARDIT is the electronic version of transport document, for example CN38
- CARDIT is sent by the post to the contracted carrier at the latest when the mail is handed over to the carrier
- The CARDIT can include 6 different function codes
  - 1: Cancellation
  - 4: Change
  - 5: Replace
  - 6: Confirmation
  - 9: Original
  - 47: Definitive (Final)
- Best practice
  - As minimum send CARDIT with function code 47
  - Preferably also send CARDIT with function codes 1 and 5 where applicable
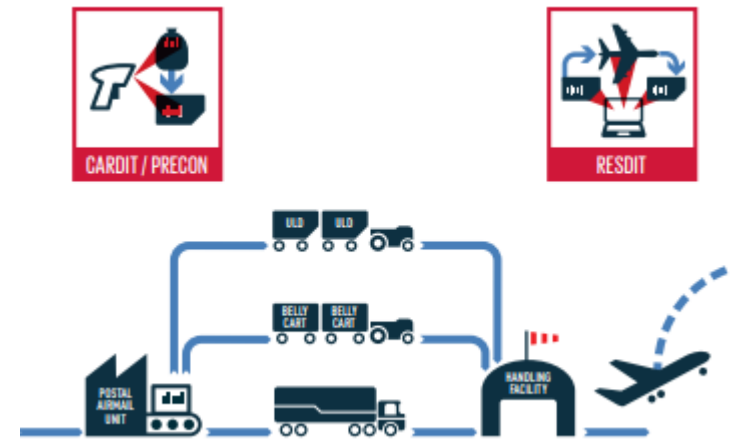
RESDIT

- RESDIT is the electronic acknowledgement to a cardit
- RESDIT is sent from the carrier to the post to document the mail movement
- There are 18 RESDIT messages representing different events in the supply chain, amongst others the following:
  - 5: Accepted
  - 14: Transport leg completed
  - 21: Delivered
  - 23: Mail at destination
  - 24: Uplift
  - 59: Offload
  - 74: Received
  - 82: Returned
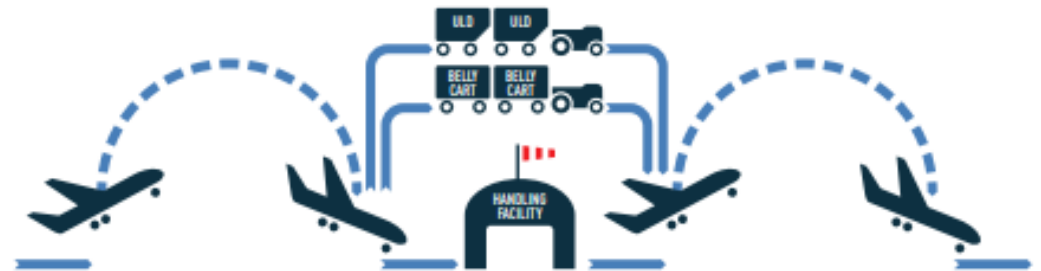
RESDIT

- Best practice
  - Send RESDIT messages to document mail movement
  - As a minimum send RESDIT 14, 24, 74 and RESDIT 21
  - Preferably also send the other RESDIT messages mentioned above
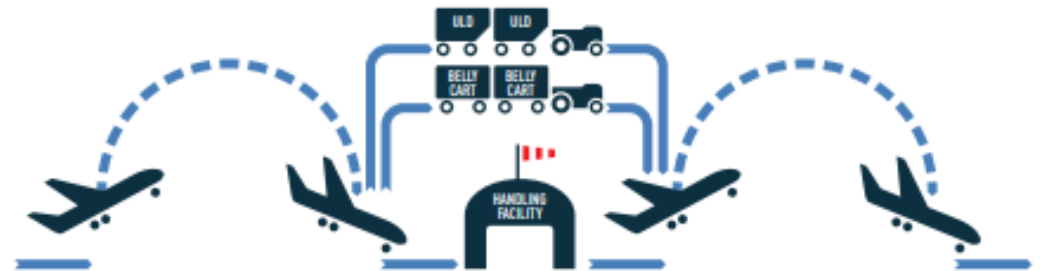
Best practice for EDI exchange

- The messages needs to be reliable = >
  - Messages are based on positive data capturing
  - No automatic generated messages
- The content of the messages should be of high quality
  - Structure of the message must follow the agreed UPU standards
  - Correct content (flight numbers, time stamps etc.)
- Make use of operational optimization processes such as Nesting to provide reliable EDI messages with limited scanning effort
- Exchange data frequently, so all the involved parties have access to the most recent data and can use them

- The above applies for all involved parties

How to start exchanging EDI?

- Step 1: Understand the EDI message process, including UPU standards and code lists

- Step 2: Agreement between postal operator and carrier
  - Which messages to exchange
  - Mailboxes
  - Follow up process
  - Contact persons - SPOC
  - Plan B – what to do if there are challenges with the exchange of EDI messages

- Step 3: Dialogue with system & network suppliers

How to improve the EDI messages?

- Dialogue between postal operator and carrier – joint team working on improving the EDI messages sent by the involved
- Active use of EDI messages
  - Identify problems
  - Analyze problems – what is the root cause?
  - correct EDI messages
- Dialogue with International Postal Corporation and usage of various supporting tools, fx EDI compliance tool and CAPE
- Participation in UPU compliance project
  - Open for both postal operators and carriers
  - One pager Compliance-project-for-airlines-one-page-overview.pdf (upu.int)

Where can you learn more about EDI?

- EDI guide
  - UPU: UpuIataIpcEdiGuide2017SpreadEN.pdf
  - IATA: edi-brochure.pdf (iata.org)
- UPU standards, specially
  - M39 CARDIT/RESDIT dataflow vers 2, introduction and examples
  - M48 CARDIT
  - M49 RESDIT
- System suppliers
- UPU (email to Transport@upu.int)
- International Post Corporation (email to servicedesk@ipc.be)
- IATA (https://www.iata.org/en/programs/cargo/contactus/)

The ultimate concern

In-flight fires

. . . a report from the British Civil Aviation Authority showing that after a fire on an aircraft starts, flight crews only have on average **20 minutes** to land their aircraft before it becomes uncontrollable.

Source: CAA PAPER 2002/01 A Benefit Analysis for Enhanced Protection from Fires in Hidden Areas on Transport Aircraft

FAA Reference DOT/FAA/AR-02/50

KLM Royal Dutch Airlines

Three 'famous' cases

8 Feb 2006	McDonnell Douglas DC-8-71F	N748UP	United Parcel Service - UPS	0	Philadelphia International Airport, PA (PHL)	🇺🇸
3 Sep 2010	Boeing 747-44AF (SCD)	N571UP	United Parcel Service - UPS	2	16,7 km S of Dubai Airport (DXB)	🇦🇪
28 Jul 2011	Boeing 747-48EF	HL7604	Asiana Airlines	2	130 km W off Jeju, South Korea [East China Sea]	

KLM Royal Dutch Airlines

ICAO/IATA approved

Lithium batteries allowed in mail

Lithium **ion** batteries **contained in** equipment **(UN 3481)** meeting the provisions of Section II of Packing Instruction 967. No more than four cells or two batteries may be mailed in any single package; and

Lithium **metal** batteries contained in equipment **(UN 3091)** meeting the provisions of Section II of Packing Instruction 970. No more than four cells or two batteries may be mailed in any single package.
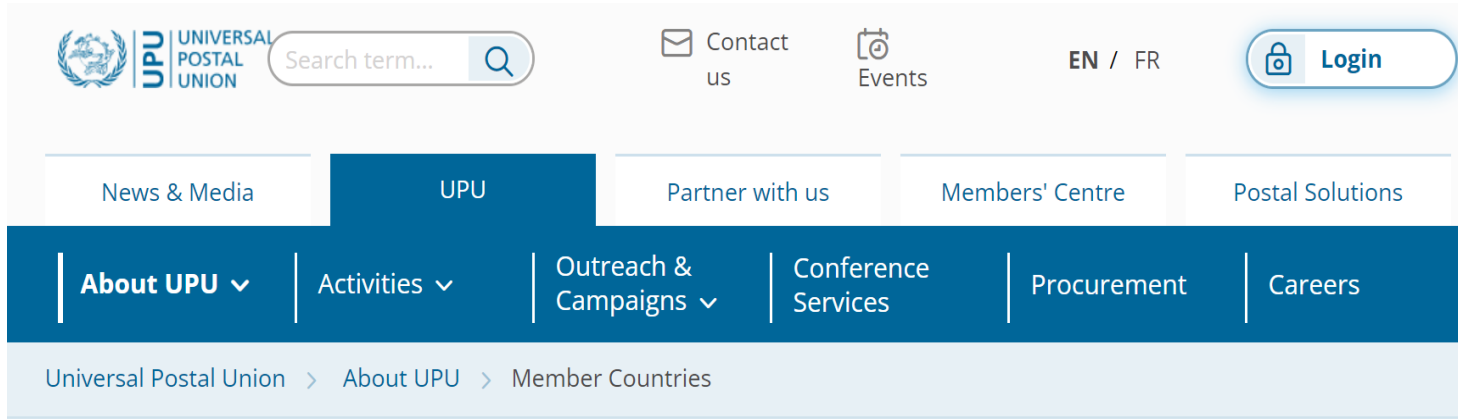
Source: IATA DGR, par. 2.4.2

Further referred to as Equipment Containing Lithium Batteries or ECLB

KLM Royal Dutch Airlines

UPU has 192 member states

Only 18% of DPO's are for ECLB acceptance

UNIVERSAL POSTAL UNION

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Universal Postal Union > About UPU > Member Countries

Member countries

Any member country of the United Nations may become a member of the UPU.

Any non-member country of the United Nations may become a UPU member provided that its request is approved by at least two-thirds of the member countries of the UPU. The UPU has now 192 member countries.

IATA

UNIVERSAL POSTAL UNION

All of these requirements were put in place by the DGP in an effort to improve the safety of mail shipped by air, where it was seen that with the increasing use of post by e-commerce sellers that there was an increased risk of dangerous goods being introduced into international mail, despite the general prohibition of dangerous goods in international mail.

Since these provisions were introduced it is presumed that all DPOs have completed appropriate dangerous goods training for the applicable personnel and their NAA has reviewed and approved the DPO's dangerous goods procedures and training. In addition, 32 of 192 DPOs are listed as being approved to accept lithium batteries contained in equipment. The fact that only 32 DPOs are approved to accept lithium batteries should not be interpreted to mean that the remaining DPOs are not in compliance as many posts have made a business decision to not seek approval to accept lithium batteries, as they choose to not authorize lithium batteries within their operation.

36 DPO's out of 192

KLM Royal Dutch Airlines

What keeps you awake at night?

Five compliance commitments

✓ We know what we transport

✓ Catch discrepancies as early as possible

✓ No! ... means NO!

✓ Prepare for continuous change

✓ Integrate & innovate

KLM Royal Dutch Airlines

ICAO mandatory risk assessment

Annex 6, Ch. 15

Hazards associated with the goods are unknown because the 'goods' are largely 'unknown'. Just 'it's mail', does not cover it...

The method of packaging, that is normally determined by cargo acceptance processes, are 'invisible' when the packages are in a mail bag...

The supply chain in air cargo consists of the shipper, forwarder, GHA and Operator. These are know entities with established business relations. With mail this may not be the case...

NEW RISK CARGO COMPARTMENT SAFETY PROVISIONS PROPOSED FOR ANNEX 6, PART I

Insert following new chapter:

CHAPTER 15.   CARGO COMPARTMENT SAFETY

Note.— Guidance on the hazards associated with the transport of items in the cargo compartment, the conduct of a specific safety risk assessment in accordance with the Safety Management Manual (SMM) *(Doc 9859), and the responsibilities for the transport of dangerous goods, is contained in the* Cargo Compartment Operational Safety Manual [working title] *(Doc 10102).*

15.1   Transport of items in the cargo compartment

15.1.1   The State of the operator shall ensure that the Operator establishes policy and procedures for the transport of items in the cargo compartment which include the conduct of a specific safety risk assessment. The risk assessment shall include at least the:

a)   hazards associated with the properties of the items to be transported;

b)   capabilities of the operator;

c)   operational considerations (e.g. area of operations, diversion time);

d)   capabilities of the aeroplane and its systems (e.g. cargo compartment fire suppression capabilities);

e)   containment characteristics of unit load devices;

f)   packing and packaging;

g)   safety of the supply chain for items to be transported; and

h)   quantity and distribution of dangerous goods items to be transported.

Note.—   Additional operational requirements for the transport of dangerous goods are contained in Chapter 14.

KLM Royal Dutch Airlines

The duty to investigate

Transit and the transport service providers – victims or facilitators?

Transport companies are the backbone of global supply chains, carrying our goods around the world. But should they be liable for compliance with export controls when often they are unaware of the true nature of the goods they are carrying, ask Gerard Kreijen and Martin Palmer with reference to recent Dutch enforcement actions.

IATA

Warsaw Convention 1929 + Montreal Convention 1999

Shipper Responsibilities

Art. 6: ...... to meet the formalities of customs, police and similar public authorities, shall deliver a document indicating the nature of the cargo.

Art. 10.1: The Shipper is responsible for the correctness of the particulars and statements relating to the cargo, ...

Art. 16.1: The shipper must furnish such information and such documents as are necessary to meet the formalities of customs, police and any other public authorities before the cargo can be delivered to the consignee.

Airline Responsibilities

Art. 6. This provision creates for the carrier no duty, obligation or liability resulting therefrom

Art. 16.2 The carrier is under no obligation to enquire into the correctness or sufficiency of such information or documents.

The duty to investigate

If one contrasts this risk with the developments in international trade – especially the limited transactional

The extensive scope of the applicable regulation in combination with the wilfulness criterion applied by the Dutch court, effectively resulted in a kind of strict liability for TSPs failing to obtain the required licence.

KLM Royal Dutch Airlines

KLM
Royal Dutch Airlines

Enhancing Security and Safety of Postal Operations in Air Transport
Insights from 12 Years of Certification and Experience

Fabrizio SIMONA
Deputy Head of Corporate Security & Safety at Swiss Post

Introduction

At the UPU Congress in Doha in 2012, lithium batteries became a topic of concern for postal operators for the first time due to safety issues related to their transportation.

An initial analysis at Swiss Post revealed that 40% of the shipments entrusted to us by our clients for air transport contained lithium batteries not installed in equipment.

At Swiss Post, we immediately understood the challenges posed by lithium batteries, but we soon realized that a multitude of other products could also pose risks for air transport.

It became clear to us that the only way to manage these risks was to implement a comprehensive security & safety management system, including rigorous quality controls at every stage of its application.

Understanding the issue

OUR
PERSEPTION
CREATES
OUR
REALITY

Perception and consciousness of security and safety issues are crucial.

Unlike airlines, postal companies often don't recognize their role in aviation security.

Many view airplanes just as another logistics option and wait for regulators to act rather than addressing the issue themselves.
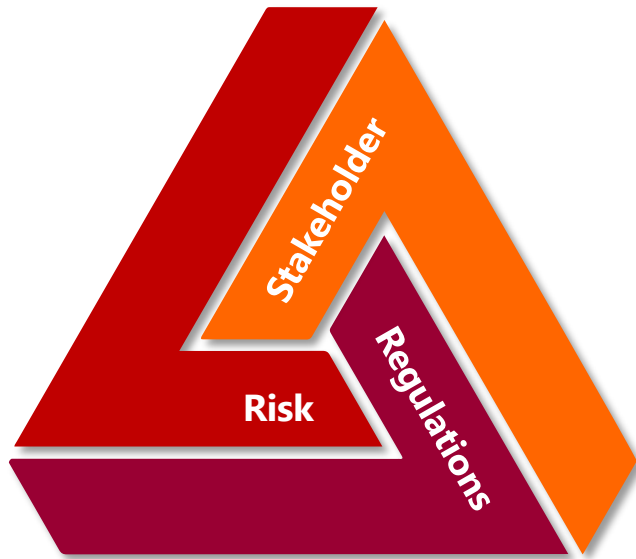
This lack of awareness and engagement is their main weakness.

For success, postal companies must first understand air transport and its risks.

That's why raising awareness among management and key stakeholder within Swiss Post became our top priority.

Identifying key factors
Risk, regulations and stakeholders

First, we identified the key factors:

Risk : Handling of international shipments from unknown und untrained senders with insufficiently identified contents and often inadequate packaging.

Regulations : Governed by international and national laws, enforced by various organizations.

Stakeholders : Need for awareness among management and key stakeholders within Swiss Post.

Identifying key factors has been essential for understanding responsibilities.

Setting protection goals

We then defined the goals of protection in close collaboration with our Civil Aviation Authority.

Which measures allow me to achieve the defined protection goal with the means at my disposal and the political, economic and security & safety framework set for me?

By analogy with the security program required for Regulated Agents in Annex 17, we developed a **safety program based on the requirements of Annex 18 and related technical instructions**.

We create a management system based on the PDCA cycle to ensure that measures are not one-day flies but long-lasting and sustainable.

An approach based on protection goals is more targeted than simply aiming to implement regulations.

Create a safety program & management system
Appoint a system manager

In the safety program:

- We define the target situation.

- We validate the target situation with our CAA.

- We implement the measures and check their application.

- We take corrective action in the event of divergences or redefine the target situation if necessary.

A system manager is designated, responsible for overseeing the system.

The management system is fully audited 1x per year and the system audit report is sent annually to our Civil Aviation Authority.

Mutual understanding between Swiss Post and CAA is formally established in the safety program.
A system manager is designated, responsible for the management system.

Key to success

Postal operators must understand regulators and their regulations.
Regulators need to understand postal operators' public service obligations.
Understanding mutual expectations and possibilities.

Work based on protection goals rather than blindly implementing laws.

Close and constant exchange with the local Civil Aviation Authority.

**Maintaining open, continuous communication with the CAA is essential and should become standard practice.
This ongoing dialogue fosters shared understanding and is key to success.**

Summary

Perception and Awareness : Key to recognizing the need for regulations.

Risk-Based Approach : Essential for identifying and addressing risks.

Responsibility : System manager must define protection goals and measures.

Collaboration : Essential with the Civil Aviation Authority.

Management System : Implement sustainable measures.

By focusing on perception and awareness, adopting a risk–based approach, embracing responsibility, fostering collaboration, implementing a sustainable management system and designate a system manager, we can achieve a high level of security and safety in our operations.

Lithium Battery Acceptance Policy and Challenges

Acceptance Policy
Fully in line with DGR 2.4 for Designated Postal Operators

Only accepting
- UN 3481 lithium-ion batteries, installed in equipment and in perfect condition.
- UN 3091 lithium metal batteries, installed in equipment and in perfect condition.
- Loose batteries and devices sent for repair are not accepted.

No incidents to date due to strict measures and controls at exchange offices.

Challenges with Airlines
Some carriers do not accept lithium batteries installed in equipment in postal items.

This happens despite batteries being compliant with DGR 2.4 and our 12-year CAA certification.

Airport checks become complicated due to doubt over the carrier.

Example
A postal item bound for Toronto might travel with one airline that accepts these batteries, while a different airline for Montreal may refuse them, resulting in confusion and frustration for our customers.

However, we believe that postal operators who have fulfilled their responsibilities and obtained certification from their civil aviation authority should benefit from it and not be subject to these bans.

Egypt post
Postal Security

From Threats to Triumphs: Enhancing Security in the Postal Supply Chain

Enhancing security in the postal supply chain is crucial for maintaining the integrity and trustworthiness of global commerce and communication.

Why Postal Security is important ?

- Ensuring passengers and means of transport security
- Combating drug trafficking
- Preventing injuries due to dangerous goods in the mail.
- Preventing loss or theft of mail.
- Protecting revenue and assets of postal services.
- Preservation of customer confidence in the Posts
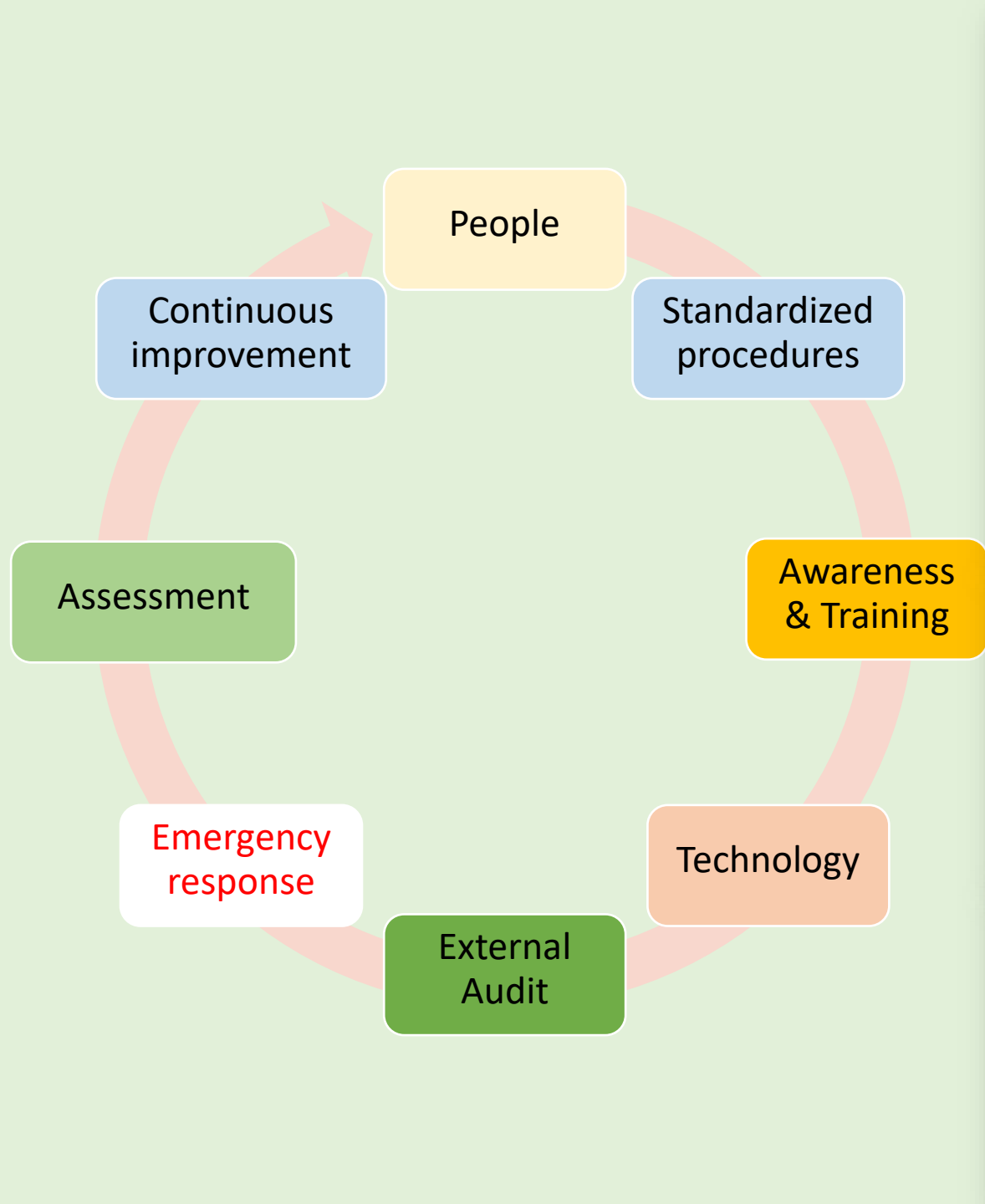- Quality of services in terms of processing times

The Emerging Security Requirements Globally STOP ACT , ICS2

Egypt Post Implemented its Postal Security strategy to maintain its Obligations towards the Egyptian Citizens to Ensure the Sustainability of Affordable access to the Universal Postal Services .

Fulfilling Postal Security Main Pillars (Physical & Data)

Renovating Egypt Post office at Exchange at CAI to Optimize Postal Operations Security & efficiency

S59 , OE and International Air Mail Security

Egyptian civil Aviation Regulations

S58 , General Security Measures

People

Standardized procedures

Awareness & Training

Technology

External Audit

Emergency response

Assessment

Continuous improvement

Egypt post - Operation Cycle - Leg - 1

Data

- ✓ ITMATT
- ✓ EMA
- ✓ GPS Tracking
- ✓ EMB
- – ✓ EXA
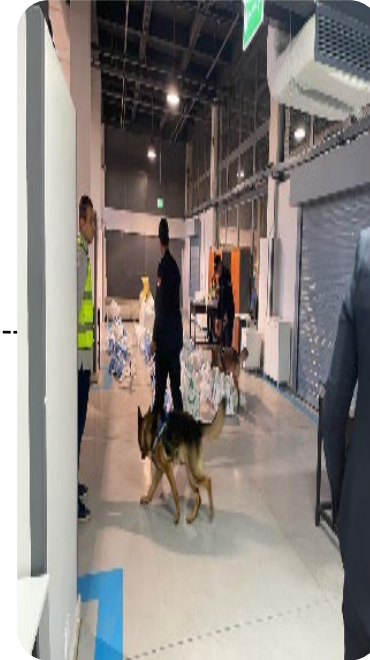- ✓ PREDES
- ✓ EMC
- ✓ CARDIT-AR
- ✓ PRECON

Posting

Arrival at OE

Present to Customs

Create Dispatch

Hand over to Airlines

Process

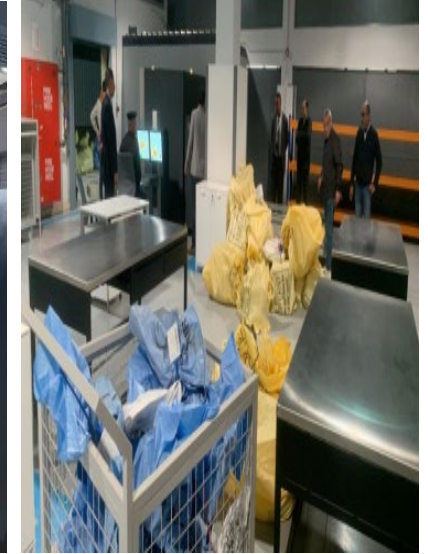| Posting	Arrival at OE	Present to Customs	Create Dispatch
✓ Physical Check	✓ X-Ray	✓ Physical Check	✓ X-Ray
✓ X-Ray - conditional			✓ Dog Check

Location

■ Post Office	■ Office of Exchange
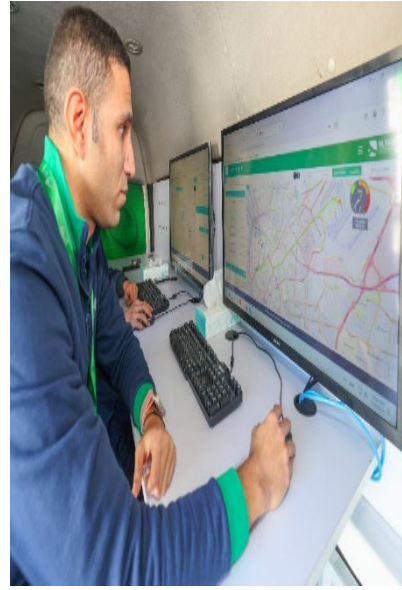
Post Office - Xray & physical Check

GPS Tracing & arrival Check

Xray check at OE - physical Check by customs authority

Handover to Airline - Xray & Dog Check

Compliance dashboard - August 2024

Operator: **EGA**   Egypt

overall compliance
98.92%
rank: 5 / 199

EDI indicators:

common features 100%	ITMATT 99.3%	PREDES 100%	PRECON 100%	CARDIT 99.77%
rank: 1 / 198	rank: 22 / 183	rank: 1 / 188	rank: 1 / 185	rank: 43 / 170
EMSEVT 99.94%	ITMREF %	RESDES 100%	RESCON 100%	CARDIT EAD 100%
rank: 45 / 196		rank: 1 / 195	rank: 1 / 192	rank: 1 / 123

Other indicators:

own IMPC 99.9%	msg upgrade 100%	1st flight quality 87.69%	EMSEVT unique events 99.81%	ITMATT: sender addr 100%	unique dispatch ID 100%
rank: 152 / 200	rank: 1 / 208	rank: 58 / 183	rank: 34 / 196	rank: 1 / 174	rank: 1 / 203
partner IMPC 99.91%	EDI connectivity 99.69%	ongoing flight quality 88.46%	EMA-EMC mismatch 100%	ITMATT: dest address 93.46%	rcv ITMATT: dest address 63.91%
rank: 80 / 195	rank: 33 / 200	rank: 20 / 170	rank: 1 / 180	rank: 19 / 180	rank: 71 / 192

Top 3 EDI issues:

Details per mail class:

	EMSEVT	PREDES	RESDES	ITMATT		EMSEVT unique evts	ITMATT: sender address	ITMATT: dest address
C (parcels)	99.97	100	100	100		99.82	100	95.96
E (EMS)	99.98	100	100	99.19		99.72	100	92.76
U (letters)	99.93	100	100	100		99.83	100	100

POSTAL SECURITY GOLD CERTIFICATION

EGYPT POST

INTERNATIONAL LOGISTIC AND EXCHANGE CENTER

*this Security Certification for meeting or exceeding the requirements
of the UPU Security Standards.
Valid for three years.*

Masahiko Metoki
Director General,
International Bureau of the UPU

Berne,
28 February 2024

Gary Barksdale
Chair,
Postal Security Group

UPU | UNIVERSAL POSTAL UNION

7ᵗʰ IATA-UPU WEBINAR

THANK YOU!

UPU | UNIVERSAL POSTAL UNION   IATA