

316 Pennsylvania Ave., S.E.
Suite 300
Washington, DC 20003
202.675.4220 Tel

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UNIT
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October 15, 2012

Mr. Magdy El Sibaie
Associate Administrator for Hazardous Materials Safety
Attn: General Approvals and Permits – PHH-31
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
1200 New Jersey Ave., SE
Washington, DC 20590-0001

Re: Application for Special Permit – Electronic Shipping Paper Records

To the Approvals and Permits Division:

In accordance with 49 CFR 107, Subpart B, UPS hereby applies for a Special Permit. Under §§107.105(b) and 105.30(a), UPS seeks confidential treatment of certain information contained within the application. Therefore, two copies of the application are presented, one of which is modified as directed under §105.30(a). Appendices are included with the application on an accompanying CD-ROM, furnished in duplicate.

Should you have any questions regarding this application, please contact the undersigned, or the UPS Corporate Regulated Goods Manager at (404) 828-7368.

Sincerely,

A handwritten signature in black ink, appearing to read "Leo Diaz".

Leo Diaz
Vice President, Public Affairs

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Before the
Pipeline and Hazardous Materials Safety Administration
Office of Approvals and Permits

U.S. Department of Transportation
Washington D.C.

Application for Special Permit
Use of Electronic Shipping Records for Hazardous Materials

Submitted by:

UPS, Inc.
Atlanta, GA

October 15, 2012

In accordance with 49 CFR 107.105 UPS, Inc. hereby applies for a special permit seeking the ability to use electronic records of hazardous materials packages in place of shipping papers (i.e., "hard copy" shipping papers), in specified applications within the UPS small package system.

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1. Overview:

UPS seeks authority to use electronic records in place of shipping papers (i.e., “hard copy” shipping papers) associated with hazardous materials packages transported in its small package ground network. For the purposes of this application, UPS seeks to replace the shipping papers that are used for the shipments transported by its tractor-trailer (i.e., “Feeder”) network, which connects UPS facilities with each other. This application covers the following types of operations:

- UPS Feeder operations (i.e., tractor-trailer operations operating from Package Center to Hub; Hub to Hub; Hub to Package Center; Hub to Customer; Hub to Railroad; Railroad to Hub; Railroad to Railroad – *when those movements are controlled by UPS, rather than the rail carrier*); and
- Loads hauled by agents of UPS (e.g., UPS-hired contractors transferring trailers between two separate railroads, or contractors supplementing the UPS workforce to move tractor-trailers between UPS facilities).

At this time, UPS does not seek to alter the shipping paper requirements for its customers for purposes of compliance with the Hazardous Materials Regulations (HMR). Conventional documentation will continue to be required from shippers of hazardous materials, although UPS applies other requirements to the shipping of hazardous materials, as discussed later in this application. Also, the following UPS motor vehicle operations will not be affected by this special permit application:

- Tractor-trailers used to pick up shipments from large customer locations¹; and
- UPS Package Car operations used to pick-up and deliver packages, or to shuttle packages between UPS facilities.

1.a Desired Effective Date:

Reference: §107.105(a)

In accordance with 107.105(a), UPS seeks an effectiveness date of January 1, 2013, or as soon as reasonably possible thereafter.

Note: UPS recognizes that this Special Permit application contemplates an approach to shipping paper records that differs significantly from the current requirements in the regulations. UPS recommends that, as part of the process of seeking public comments applicable to all special permits, PHMSA communicate with organizations with suitable representation among those personnel charged with roadside enforcement of the HMR (e.g., the Commercial Vehicle Safety Alliance), and with leading and supporting emergency response efforts (e.g., the International Association of Fire Chiefs, CHEMTREC, etc.).

Because of significant internal training and other implementation steps required for compliance with the contemplated special permit, UPS seeks the understanding that upon

¹ UPS stages trailers at facilities of customers that ship packages in sufficient volume that they can fill one or more trailers each day with outbound shipments. Some of these shippers include a small number of regulated hazardous materials in those loads, although this practice is not common.

receipt of authority to begin use of electronic records, UPS will deploy the new procedures on a date mutually agreed with PHMSA subsequent to issuance of the special permit.

2. Applicant Details:

Reference: §107.105(a)(2)

Applicant Name: UPS, Inc. (hereafter "UPS")

Street Address: 55 Glenlake Parkway, NE
Atlanta, GA 30328
Attn: Samuel S. Elkind,
Corporate Regulated Goods Manager

Mailing Address: As above

Email Address: selkind@ups.com

Phone Number: (404) 828-7368

Chief Executive Officer: D. Scott Davis

Dunn & Bradstreet Number: 00-6991681

Physical addresses associated with use of special permit: All UPS U.S. small package operations addresses will be affected by the use of the special permit. An electronic record of those addresses is supplied as Appendix A.2 in a CD-ROM that accompanies this application. This address list includes over 1,100 facilities in the U.S. *UPS reserves the right to revert to the use of hard copy shipping papers at any location for its own internal reasons.*

Address of relevant manufacturing location: N/A

Registration Number: N/A

2.a Confidential Treatment:

Reference: §107.105(b)

This application is required to identify the number of hazardous materials shipments transported by UPS in its small package system, which UPS considers to be confidential business information. Therefore UPS requests confidential treatment of any discussion of its hazardous materials package volume. *See Sections 3.h and 4.b of this application.*

3. Description of Special Permit Proposal:

Reference: §107.105(c)

3.a. Regulations Affected:

Reference: §107.105(c)(1)

49 CFR 171.2(f):

(f) No person may transport a hazardous material in commerce unless the hazardous material is transported in accordance with applicable requirements of this subchapter, or an exemption or special permit, approval, or registration issued under this subchapter or subchapter A of this chapter. Each carrier who transports a hazardous material in commerce may rely on information provided by the offeror of the hazardous material or a prior carrier, unless the carrier knows or, a reasonable person, acting in the circumstances and exercising reasonable care, would have knowledge that the information provided by the offeror or prior carrier is incorrect.

Comment: In this Special Permit application, UPS seeks to authorize transportation of hazardous materials shipments that will be accompanied only by electronic information in certain segments of transportation within the UPS network. Because such a practice will be at variance with the requirements of the HMR, UPS identifies §171.2(f) as an affected regulation. However, apart from its electronic form, the information will conform to the requirements of Part 172, Subpart C. Sample trailer manifests generated by the UPS electronic system (HMMS) are shown in Appendix A.1.

49 CFR 177.817(a):

(a) *General requirements.* A person may not accept a hazardous material for transportation or transport a hazardous material by highway unless that person has received a shipping paper prepared in accordance with part 172 of this subchapter or the material is excepted from shipping paper requirements under this subchapter. A subsequent carrier may not transport a hazardous material unless it is accompanied by a shipping paper prepared in accordance with part 172 of this subchapter, except for § 172.204, which is not required.

Comment: UPS seeks to transport hazardous materials by motor vehicle without providing a physical shipping paper to the driver for the transportation legs covered by the exemption. The information that would normally be communicated on a shipping paper will be available for use by inspectors or emergency responders by communicating with the 24-hour telephone number that UPS will designate for providing the details about the hazardous materials. Technicians servicing this telephone number will be capable of transmitting the requested document to a device or site requested by the caller (email or telefax) or reading the information to the caller. Sample trailer manifests generated by UPS's electronic system (HMMS) are shown in Appendix A.1.

49 CFR 177.817(c):

(c) *Requirements when interlining with carriers by rail.* A motor carrier shall mark on the shipping paper required by this section, if it offers or delivers a freight container or transport vehicle to a rail carrier for further transportation:

- (1) A description of the freight container or transport vehicle; and
- (2) The kind of placard affixed to the freight container or transport vehicle.

Comment: UPS has completed a project that enables electronic delivery of hazmat shipping paper information to its rail carriers, thereby obviating the need for the transaction described in this regulation.

49 CFR 177.817(e):

(e) *Shipping paper accessibility—accident or inspection.* A driver of a motor vehicle containing hazardous material, and each carrier using such a vehicle, shall ensure that the shipping paper required by this section is readily available to, and recognizable by, authorities in the event of accident or inspection. Specifically, the driver and the carrier shall:

- (1) Clearly distinguish the shipping paper, if it is carried with other shipping papers or other papers of any kind, by either distinctively tabbing it or by having it appear first; and
- (2) Store the shipping paper as follows:
 - (i) When the driver is at the vehicle's controls, the shipping paper shall be:
 - (A) Within his immediate reach while he is restrained by the lap belt; and
 - (B) either readily visible to a person entering the driver's compartment or in a holder which is mounted to the inside of the door on the driver's side of the vehicle.
 - (ii) When the driver is not at the vehicle's controls, the shipping paper shall be:
 - (A) In a holder which is mounted to the inside of the door on the driver's side of the vehicle; or
 - (B) on the driver's seat in the vehicle.

Comment: UPS seeks the ability to rely on electronic records for all hazardous materials shipments covered by the Special Permit. While the contents of the electronic shipping paper record will conform to the requirements of Part 172, Subpart C, the records of affected shipments will be stored away from the vehicle. Therefore, other than in a few cases, the driver will not be able to retrieve the record in the fashion prescribed by this regulation. UPS anticipates communicating that electronic shipping paper records may be in use for hazardous materials on specific vehicles; this information will be communicated through use of an in-vehicle notification displayed on the driver-side door that specifies the applicable U.S. DOT Special Permit and provides the telephone number that may be used to request records for any hazardous materials loaded into the trailer. Samples of the records generated by the UPS internal system (HMMS) are shown in Appendix A.1 to this permit application.

49 CFR 177.802:

Records, equipment, packagings and containers under the control of a motor carrier, insofar as they affect safety in transportation of hazardous materials by

motor vehicle, must be made available for examination and inspection by a duly authorized representative of the department.

Comment: When, as a result of this Special Permit application, UPS is able to rely on electronic records to document the hazardous materials shipments loaded on its tractor-trailers, some records examined under this section will necessarily be electronic. UPS stresses that it does not intend to eliminate hard copy shipping papers received from its customers. Therefore, origin shipping paper files will be maintained as they are today. However, UPS believes it must identify §177.802 in this application as a potentially affected regulation to acknowledge that some records retained pursuant to an approved Special Permit could be electronic, rather than in hard copy form.

49 CFR 172.203(a):

(a) *Special permits.* Except as provided in § 173.23 of this subchapter, each shipping paper issued in connection with a shipment made under a special permit must bear the notation "DOT-SP" followed by the special permit number assigned and located so that the notation is clearly associated with the description to which the special permit applies. Each shipping paper issued in connection with a shipment made under an exemption or special permit issued prior to October 1, 2007, may bear the notation "DOT-E" followed by the number assigned and so located that the notation is clearly associated with the description to which it applies.

Comment: As discussed in connection with 49 CFR 177.817(e), UPS intends to devise an effective communication to its affected employees and agents that identifies cases when hazardous materials loads are being transported with electronic records. However, such a communication would be located in the power unit of the affected tractor-trailer. In other words, UPS does not contemplate showing the special permit number in the shipping paper record, since that record would be electronic. UPS intends this method of designating the use of Special Permit because the shipping papers themselves, normally addressed in §172.203(a), will not be present in hard copy form.

49 CFR 172.602(c)(1):

(c) *Maintenance of information.* Emergency response information shall be maintained as follows:

(1) *Carriers.* Each carrier who transports a hazardous material shall maintain the information specified in paragraph (a) of this section and § 172.606 of this part in the same manner as prescribed for shipping papers, except that the information must be maintained in the same manner aboard aircraft as the notification of pilot-in-command, and aboard vessels in the same manner as the dangerous cargo manifest. This information must be immediately accessible to train crew personnel, drivers of motor vehicles, flight crew members, and bridge personnel on vessels for use in the event of incidents involving hazardous materials.

Comment: With this Special Permit application, UPS does not intend to eliminate the carriage of the North American Emergency Response Guidebook in the cabs of its vehicles. Therefore the ERG will be maintained in the cab of the vehicle, but not maintained “in the same manner as prescribed for shipping papers” once UPS engages in the process contemplated by the Special Permit application.

3.b. Affected Modes:

Reference: §107.105(c)(2)

UPS proposes to allow the use of electronic records for motor vehicle operations. (UPS currently furnishes electronic shipping paper information to rail carriers in accordance with those companies’ existing practices.)

3.c. Detailed Description of Proposed Special Permit including Operational Controls:

Reference: §107.105(c)(2) and (3)

UPS seeks authority to use electronic records in place of shipping papers (i.e., “hard copy” shipping papers) associated with hazardous materials packages transported in its small package ground network. For the purposes of this application, UPS seeks to replace the shipping papers that are used for the shipments transported by its tractor-trailer (i.e., “Feeder”) network, which connects UPS facilities with each other. This application covers the following types of operations:

- UPS Feeder operations (i.e., tractor-trailer operations operating from Package Center to Hub; Hub to Hub; Hub to Package Center; Hub to Customer; Hub to Railroad; Railroad to Hub; Railroad to Railroad – *when those movements are controlled by UPS, rather than the rail carrier*); and
- Loads hauled by agents of UPS (e.g., UPS-hired contractors transferring trailers between two separate railroads, or contractors supplementing the UPS workforce to move tractor-trailers between UPS facilities).

At this time, UPS does not seek to alter the shipping paper requirements for its customers for purposes of compliance with the HMR. Conventional documentation will continue to be required from shippers of hazardous materials, although UPS applies other requirements to the shipping of hazardous materials, as discussed below. Also, the following UPS motor vehicle operations will not be affected by this special permit application:

- Tractor-trailers used to pick up shipments from large customer locations²; and
- UPS Package Car operations used to pick-up and deliver packages, or to shuttle packages between UPS facilities.

For specific internal purposes, UPS currently uses electronic records containing information relating to hazardous materials shipments transported on behalf of its customers. Among those purposes are:

² See note 1, above.

- Monitoring of hazardous materials for approval to proceed within the UPS small package system (i.e., “acceptance”).
 - UPS small package customers are required to upload details of their hazardous materials shipments for those packages which must be accompanied by shipping papers. The electronically uploaded information supplements the hard copy shipping papers, and UPS procedures require that – just as each package is examined and approved for compliance – each electronic record must also be examined and approved by a qualified inspector (Acceptance Auditor) before the package is allowed to proceed beyond its origin UPS facility.
 - Missing or inaccurate records (e.g., late-arriving data, or data that does not match compliant packages and hard copy shipping papers) are keyed or corrected before approved packages are allowed to proceed – provided the shipments and accompanying documents are themselves compliant with the regulations and UPS requirements.
 - Once electronic records are approved, an appropriate notation is added to the electronic record to enable the packages to be loaded.³

- Monitoring of loading processes for compliance with applicable regulations:
 - Air Dangerous Goods packages loaded into aircraft ULDs or aircraft compartments are monitored electronically for compliance with applicable Part 175 requirements.
 - Hazardous materials loaded into trailers are monitored for compliance with applicable requirements of Parts 172 and 173.

- Load summaries:
 - Electronic information about Air Dangerous Goods packages loaded aboard aircraft is used to create the printed notification of pilot-in-command (NOTOC), in compliance with §175.33.
 - Electronic information about hazardous materials packages loaded into trailer-on-flatcar (TOFC) trailers or container-on-flatcar (COFC) containers is transferred to receiving railroads.

- Incident monitoring:
 - Any in-flight irregularity results in the provision of the applicable NOTOC to the relevant air traffic control authorities.
 - Upon report of any on-road incident involving a UPS trailer, internal processes create reports of the hazardous materials loaded on the relevant trailer to aid in investigation, follow-up and (if needed) incident reporting.

UPS proposes to replace the current use of hard copy shipping papers in its Feeder operations with the electronic records that exist for hazardous materials contained within each feeder trailer. Information about the hazardous materials loaded in a specific Feeder trailer would be accessible to any qualified inspector or investigator through one or more

³ Once keyed or corrected by a UPS Acceptance Auditor, a hazmat record for a package is locked to prevent alteration by late-arriving shipper-supplied data.

central UPS telephone centers. Personnel staffing the relevant telephone center(s) will be able to use UPS systems to identify the hazardous materials loaded onto any trailer operating in the UPS small package Feeder network.

UPS proposes that for relevant tractor-trailer combinations, it will display information such as the following inside the driver's door:

"Electronic hazardous materials shipping papers may be in use. Call 1-800-XXX-XXXX for hazmat shipping paper records. Provide the number of each trailer. DOT-SP YYYYYY."⁴

Because UPS intends to continue using hard copy shipping papers for trailers used to pick up shipments from large customers' shipping locations,⁵ there could be occasions when inspectors will encounter tractor-trailer drivers operating with hard copy shipping papers.⁶ Other contingencies may also require UPS to revert to hard copy shipping papers in specific locations either temporarily or on a long-term basis. Therefore, UPS seeks the understanding that the information shown above, planned to be displayed on the driver's door, will apply in those instances when UPS drivers transporting hazardous materials do not have shipping papers in their possession. In other words, there may be instances when an inspector will encounter a driver in possession of hard copy shipping papers. By contrast, in those instances when a driver does not have such shipping papers, the electronic system should be queried for information about any hazardous materials aboard the vehicle.

3.d. Requested Duration of Special Permit

Reference: §107.105(c)(4)

Because this application is part of a long-term plan, UPS requests issuance of the Special Permit for the maximum period allowed by law and PHMSA procedures. UPS intends to continue refinement of its business procedures to enable extension of electronic records into (a) other operations within the small package system, (b) business units within UPS, Inc. which provide freight transportation, and (c) UPS Airline operations with respect to delivery of the NOTOC. Over time, additional special permit applications may be submitted to seek the ability to implement electronic records in those additional ways. UPS intends to apply for necessary renewals until such time as amendments to the HMR authorize the use of electronic records in place of hard copy shipping papers.

⁴ UPS intends to substitute the relevant toll-free telephone number for the placeholder "1-800-XXX-XXXX." The relevant special permit number would be substituted for the placeholder "YYYYY" shown above. It is in part to allow installation of this information in all the thousands of affected tractors that UPS seeks a planned delay between the approval of the special permit and its actual use, as mentioned on page 3.

⁵ See note 1, above.

⁶ UPS will exclude trailers picking up small packages from customer sites from reliance on electronic records because UPS Acceptance Auditors will not yet have reviewed the shipments and their records.

3.e. Basis for Requested Relief

Reference: §107.105(c)(5)

UPS is well aware of PHMSA's efforts under the HM ACCESS program to find ways to enable replacement of hard copy shipping papers with electronic records. UPS recently completed a project to use electronic records in place of hard copy shipping papers furnished to railroads which transport its TOFC/COFC loads. This process enabled UPS to implement business procedures that make electronic records feasible and desirable within its Feeder network.

UPS foresees cost and procedural benefits from such use of electronic shipping paper records. UPS also foresees safety improvements, including:

- Quality control for hazmat packages in the acceptance and loading processes;
- Systemic monitoring of loading requirements (e.g., hazmat quantity limits in trailers); and
- Constant ability to identify hazmat loads away from the vehicle through an intranet application within the internal UPS I.T. network.

At the same time, UPS anticipates significant cost savings resulting from conversion to electronic records, achieved through reduced handling time for hazmat shipments during loading and lower costs for supplies associated with current hard copy shipping paper procedures. Moreover, a conversion to electronic records proposed in this application would be accomplished without increasing risk in transportation.

In contrast to manual systems, those systems that UPS has developed for this application help assure the following improvements:

- Higher quality of hazmat shipping paper records due to computer application support for acceptance processes;
- Validation of hazmat package acceptance under UPS procedures;
- Absence of legibility concerns associated with typefaces, smudges, rips or other defects traditionally inherent in paper records;
- Records that survive collisions or vehicle fires; and
- Greater assured compliance with Part 172 and 173 loading restrictions.⁷

In other words, UPS believes it will enhance safety and compliance through the use of the electronic records discussed here, and their underlying systems. At the same time, it will reduce handling costs, thereby helping to control costs for the shipping public.

3.f. Hazardous Materials Affected:

Reference: §107.105(c)(7)

UPS includes the following hazard classes within the scope of this application:

- Divisions 1.4C, 1.4D, 1.4E, and 1.4S

⁷ Earlier deployment of related systems supported aircraft loading activity. The processes implemented in that earlier deployment also reinforce Part 175 loading requirements.

- Division 1.6N
- Division 2.1
- Division 2.2
- Class 3
- Division 4.1
- Division 4.3
 - *Packaging must conform to §173.13 or a special permit with commensurate features – i.e., relief from placarding.*
- Division 5.1
- Division 5.2
- Division 6.1 (other than materials Toxic by Inhalation)
 - *For other than Packing Group III shipments in Ground Service, packaging must conform to §173.13 or a special permit with commensurate features – i.e., relief from TOXIC labels.*
- Class 7 – Radioactive White-I only
- Class 8
- Class 9
- ORM-D (shipping paper information required for shipments offered at Air Service level)

In general, UPS restricts hazardous materials packages either (a) to no more than 70 LB or (b) to any applicable lower limit that may be applied through the Hazardous Materials Regulations or the relevant UPS Chemical Table.⁸

Complete information on UPS-applied limits is contained within the enclosed copies of current UPS Chemical Tables, which are updated quarterly, as dictated by regulations or internal requirements. (See Appendix A.3.a through A.3.c on accompanying CD-ROM.)

3.g. Description of Packaging to be Used

Reference: §107.105(c)(8)

In this application, UPS cannot provide universal information about every package that could be offered by its customers in compliance with the regulations and UPS procedures. However, in general, packages will conform to applicable specification or non-specification requirements applied by the Hazardous Materials Regulations. In specific instances – i.e., Divisions 4.3 and 6.1 – UPS requires the use of packages conforming either to §173.13 or a special permit with similar features – i.e., no placard required for Division 4.3 and no TOXIC label required for Division 6.1 (other than Packing Group III shipments in the Ground service). Shippers may elect to offer packages in conformance with numerous other special permits to which they may have access.

⁸ Exceptions to the package limit of 70 LB include air shipments of Dry ice, and ground shipments of Life saving appliances, both of which are allowed by UPS small package services to be offered in packages weighing up to 150 LB.

This UPS special permit application does not seek to alter the packaging practices currently in place among UPS hazardous materials shippers. It merely seeks the ability to address shipping paper practices for the UPS Feeder (i.e., tractor-trailer) operations.

3.h. Estimated Number of Shipments

Reference: §107.105(c)(10)

Confidential Business Information: Each day in its small package system, UPS transports an average of [*number deleted*] hazardous materials packages that require shipping papers. Considering the overall UPS daily pick-up volume of 15.8 million packages, the volume of hazardous materials represents approximately [*number deleted*] percent of UPS's small package volume.

3.i. Relationship to Any Compliance Review

Reference: §107.105(c)(12)

UPS seeks this Special Permit of its own initiative and not in connection with any compliance review or enforcement action.

3.j. Shipper/Carrier Status

Reference: §107.105(c)(14)

UPS will operate as a carrier under the terms of the contemplated Special Permit.

4. Justification for Special Permit

Reference: §107.105(d)

4.a. Application is in the Public Interest

Reference: §107.105(d)

As demonstrated by the foregoing discussion, UPS seeks to allow the use of electronic records in place of hard copy shipping papers for reasons of increased compliance, accuracy, and operational efficiency. A benefit of these changes is that UPS will be able to rely on records for hazmat packages which cannot be destroyed by a vehicle accident. Emergency responders will have access to a central UPS telephone center, which in turn will have immediate access to the hazmat records associated with any trailer operating in the U.S. Files containing the appropriate shipment information are available for immediate email transmission in the widely used PDF format. In cases where email is not appropriate for the caller, files may be transmitted by telefax. Samples of the trailer manifests generated by HMMS, the relevant UPS system, are shown in Appendix A.1; the samples are included in both hard copy (pages 19-20) and electronic formats (CD-ROM). If neither email nor telefax technology is available to the caller, then the information may be read over the telephone.

Three of four key goals PHMSA cites for its own HM ACCESS project are drivers of the UPS initiatives that lie behind this application:

- Improving availability and accuracy of information about hazmat shipments;
- Speeding up communications with emergency responders, especially in crashes that would render hard copy shipping papers inaccessible; and
- Enhancing competitiveness through cost-beneficial enhancements.⁹

These goals are beneficial not only to UPS, but to both the general public, who rely on accurate communications about hazardous materials in commerce, and hazmat shippers, who seek cost-effective methods of safely distributing their products. Thus the goals of this UPS Special Permit application are in the public interest.

4.b. Relevant Shipping and Incident Experience

Reference: §107.105(d)(1)

Shipping: UPS has transported hazardous materials in its small package operations for several decades. Since the late 1990s, UPS has required shippers to engage in a contractual agreement to ship hazardous materials in the small package operations. This agreement ensures that customers recognize both the legal obligations associated with shipping hazardous materials and UPS's additional company requirements, while providing UPS a degree of control over shipper behavior. If required for safety or compliance reasons, UPS may terminate a customer's ability to ship hazardous materials. Examples of UPS's additional company requirements include the following:

- Customers' shipping papers must be computer-generated; and

⁹ See points 1, 2 and 4 on PHMSA's HM ACCESS web site: <http://hazmat.dot.gov/HM-ACCESS/index.html>.

- In addition to furnishing required hard copy shipping papers, customers must upload hazardous materials shipment information using a system compatible with UPS communication specifications.

Together, these requirements have been in place for several years. The required electronic upload for hazmat shipment information initially originally applied specifically to air shipments, to enable systems to support the generation of the printed notification of pilot-in-command. However, as UPS recognized the ability, through electronic records, to improve the quality of information about each hazardous material shipment required to be accompanied by shipping papers, the requirement was expanded to include ground shipments. The requirements thus have provided the foundation on which UPS has been able to build both (a) its internal systems related to the quality of hazardous materials shipments and their handling within the company, and (b) systems to communicate both internally and externally about specific hazardous materials shipments. Without these shipper requirements and the underlying UPS systems, the recently completed project for communicating with the railroads would not have been possible.

Confidential Business Information: UPS daily transports an average of [number deleted] hazardous materials that require shipping papers. In the context of UPS's 15.8 million daily shipments, this volume of hazardous materials represents approximately [number deleted] percent of UPS daily pick-up volume. The ability to use electronic shipping paper records will not influence the number of hazardous materials in the UPS system.

Incidents: Like any carrier, UPS experiences incidents involving hazardous materials that result from inadequate preparation by shippers and errors in handling by UPS employees. Previous PHMSA analysis of UPS incident data has demonstrated that the number of incidents is reasonably proportionate to the number of shipments handled.¹⁰

UPS believes that use of electronic records will enhance the company's information about hazardous materials in its system, improving the ability to support incident response.

4.c. Comparison of Risks:

Reference: §107.105(d)(2)

UPS believes that use of electronic records will not impair the safety of its operations. Instead, it foresees more resilient records of hazmat packages that are transported within its network. For example, when carriers rely on hard copy shipping papers, a serious collision that impairs the driver, significantly damages the tractor, or causes a fire could reduce or destroy the ability of on-scene responders to determine the hazardous materials being transported in the vehicle (if any). Introduction of electronic records for its tractor-trailer Feeder operations will give UPS remote access to records, which then can be transmitted instantaneously to users on scene, through email to a smart phone or by

¹⁰ PHMSA performed an analysis of UPS's incident history in October and November 2011 in association with UPS's application for Party Status in DOT-SP 11502.

telefax. Samples of the trailer manifests that would be transmitted by email or telefax are shown in Appendix A.1. In the absence of either technology, telephone technicians will be able to read the contents of the manifest for each relevant trailer.

In this way, replacement of hard copy shipping papers with electronic records will enable UPS to achieve cost savings inherent in reduced paperwork, without a detrimental impact on safety. UPS notes that PHMSA recognizes this objective in its own HM ACCESS initiative.

UPS provides the following information about incidents and benefits of electronic information.

Anecdotal Experience

As UPS completed the project which enabled communication of electronic hazmat records with the railroads, it became able to use its electronic system to identify hazmat loads in emergency situations. Two relevant examples follow:

- Trailer fire – April 21, 2012. While loading a Feeder trailer at the Willow Grove, PA hub, employees noticed smoke from a package in the load. After appropriate notifications of management and the fire department, management ordered the trailer to be removed from the loading door to preserve the building. With the trailer in the parking lot, the fire advanced quickly. Much of the load was destroyed, as were the hazardous materials shipping paper records which (according to current hard copy procedures) were temporarily loaded into a pouch inside the rear trailer door. In post-accident investigation, electronic records demonstrated that a number of hazardous materials had been scanned into the trailer during the loading process, and examination of the debris in the days following the fire enabled UPS to identify three packages that had been destroyed in the fire and therefore required reporting on a DOT Form 5800.1.
- Vehicle accident – May 24, 2012. A driver of a car collided head-on with a UPS Feeder in California, leading to a fire. In post-accident investigation, electronic records identified a single hazmat package in the load. Investigation after the accident found the package was intact and undamaged, enabling it to be delivered.

Internal Tests:

During June 2012, UPS performed internal demonstration tests on the response time for inquiries placed to the central telephone number that would be used to provide the requested information. These test calls established that systems worked as planned. The requested records were successfully delivered by e-mail and telefax upon request. The shortest period needed to secure the information was shown to be approximately three minutes, while on occasion, periods of up to eight minutes elapsed before the records were furnished.

5. Conclusion

UPS seeks a Special Permit enabling it to replace hard copy shipping papers with electronic records for use within its tractor-trailer Feeder network. Electronic records would be available to inspectors or emergency response personnel upon request. The records could be delivered through e-mail or telefax, or verbally delivered if neither electronic option is available.

UPS believes that use of electronic records in this manner will provide more resilient records than can be accessed in circumstances where hard copy shipping papers are unavailable. At the same time, the electronic records will enable UPS to enable rapid communication about hazardous materials across the entire network while exploiting safeguards built into the UPS scanning systems to restrict the movement of unauthorized hazardous materials packages. The system controls enable UPS employees to enforce the loading restrictions inherent in the HMR.

As the foregoing information demonstrates, UPS's proposal is consistent with the requirements of a Special Permit, while it also aligns with PHMSA's own goals for its HM ACCESS project. Accordingly, UPS seeks PHMSA's approval of a Special Permit for these purposes.

Statement Concerning Request for Confidential Treatment

UPS respectfully requests that the information marked above as “Confidential Business Information” be treated as confidential, and not released to the public. The information relates to UPS’s hazardous materials package volume in a specific segment of its operations, and is not released or reported to the public through UPS’s traditional reporting mechanisms.

In support of this request, UPS asserts the following:

1. UPS has asserted a valid confidentiality claim, consistent with the requirements of 49 CFR 105.30;
2. UPS has taken reasonable measures to protect this information;
3. The information is not reasonably obtainable by the general public without UPS’s consent;
4. No statute requires disclosure of the covered information; and
5. If the information is disclosed, UPS is likely to suffer substantial harm to its competitive position.

Given the above, UPS respectfully requests that its hazardous material shipment volume be treated as confidential information.

ULD SUMMARY					ULD DG BUILD UP CERTIFICATION												
DG Restriction Code	ULD	Build Up	Break Down	Date	I certify that this summary accurately and completely represents all dangerous goods packages loaded in the container identified on this document. I further certify that no damaged or leaking packages containing dangerous goods were loaded in this container.												
	UPST625082			25-MAY-12	Signature :												
POSITION (Complete When Applicable)	Notes: 1 - Refer to appropriate national regulations for international placarding requirements 2 - Any Quantity of III-Yellow requires placarding. No placarding for I-White and II-Yellow per 49CFR.																
		1.4*	2.1*	2.2*	3*	4.1*	4.2*	4.3	5.1*	5.2*	5.1*	7	7 YIII	8*	9**	Table 2 Total ***	
	NET WEIGHT (Totals rounded to next whole # in kgs)				4												
	GROSS WEIGHT (Totals rounded to next whole # in kgs)				4												
	U.S. DOT VEHICLE PLACARDING THRESHOLD (kgs)	454	454	454	454	454	454	Any	454	454	454	N/A	Any	454	454**	454*	
* Class placard mandatory when loading 1000 kgs or more of indicated class. ** Not required while in U.S. Territory. Refer to 49 CFR 172 Subpart F for details. (454 kgs = 1000 lbs; 1000 kgs = 2205 lbs) *** LTD QTY not required for inclusion in total NOTE: Per 172.504(b), use of the Danger Placard is not authorized for Table 1 materials in any amount. LEGEND: CAO Column (Type Aircraft) "P" = Passenger and Cargo Aircraft, "C" = Cargo Aircraft Only ULD DG Loading Restrictions "A" = Accessibility required / "M" = Magnetized / "R" = Radioactive II or III Yellow / "U" = No Aircraft Loading Restriction Applies ERIP = Emergency Response Information Provider													Total TI:		Total Dry Ice (kgs)		
													(lbs)				
ICAO or DOT Drift Code	AirWaybill / Tracking Number	Seq.	UN or ID #	Proper Shipping Name with Technical Name in Parentheses	Class or Div. / Class 1 Compat. Group	Sub Risk	PG	RQ	No. of Packages	Net Qty or Transp. Ind. per package	UOM	Radioactive Category	CAO	DG Rest Code	Authorizations / Package Info / Remarks	24 Hour Emergency Phone Number / ERIP	
127	129075310941120206	1	UN1090	ACETONE	3	II			1	7.00	b		G	U	FIBERBOARD BOX	1-800-424-9500 / CCN 23970	
Number of Records :					1	Total Packages :					1						
Printed on: 25MAY12 13:24:51 LOCAL					ULD: UPST625082					Page 1 of 1							

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ULD SUMMARY					ULD DG BUILD UP CERTIFICATION												
DG Restriction Code	ULD	Build Up	Break Down	Date	I certify that this summary accurately and completely represents all dangerous goods packages loaded in the container identified on this document. I further certify that no damaged or leaking packages containing dangerous goods were loaded in this container.												
	UPST624775			21-JUN-12	Signature :												
POSITION (Complete When Applicable)	Notes: 1 - Refer to appropriate national regulations for international placarding requirements 2 - Any Quantity of III-Yellow requires placarding. No placarding for I-White and II-Yellow per 49CFR.																
		1.4°	2.1°	2.2°	3°	4.1°	4.2°	4.3	5.1°	5.2°	5.1°	7	7 YIII	8°	9°	Table 2 Total ***	
	NET WEIGHT (Totals rounded to next whole # in kgs)			1	1												
	GROSS WEIGHT (Totals rounded to next whole # in kgs)			2	1											3	
	U.S. DOT VEHICLE PLACARDING THRESHOLD (kgs)	454	454	454	454	454	454	Any	454	454	454	N/A	Any	454	454**	454*	
* Class placard mandatory when loading 1000 kgs or more of indicated class. ** Not required while in U.S. Territory. Refer to 49 CFR 172 Subpart F for details. (454 kgs = 1000 lbs; 1000 kgs = 2205 lbs) *** LTD QTY not required for inclusion in total NOTE: Per 172.504(b), use of the Danger Placard is not authorized for Table 1 materials in any amount. LEGEND: CAO Column (Type Aircraft) "P" = Passenger and Cargo Aircraft, "C" = Cargo Aircraft Only ULDDG Loading Restrictions "A" = Accessibility required / "M" = Magnetized / "R" = Radioactive II or III Yellow / "U" = No Aircraft Loading Restriction Applies ERIP = Emergency Response Information Provider											Total TI:		Total Dry Ice (kgs)				
																(lbs)	

ICAO or DOT DRII Code	AirWaybill / Tracking Number	Seq.	UN or ID #	Proper Shipping Name with Technical Name in Parentheses	Class or Div./ Class 1 Compat. Group	Sub Risk	PG	RQ	No. of Packages	Net Qty or Transp. Ind. per package	UOM	Radio-active Category	CAO	DG Rest Code	Authorizations / Package Info / Remarks	24 Hour Emergency Phone Number / ERIP
126	1Z702710070746137	1	UN1956	COMPRESSED GAS, N.O.S. (NITROGEN, HYDROGEN SULFIDE)	2.2				1	1.00	CYL		G	U	FIBERBOARD BOX	1-800-424-9600 / AIRGAS SPECIALTY GASES
126	1Z7072960044956390	1	UN2222	ANSOLE	3		III		1	120.00	ml		G	U	FIBERBOARD BOX	(225)2728125 / LA-MAR-KA, INC.
127	1ZCX701147277225581	1	UN1868	RESIN SOLUTION	3		II		1	6.00	oz		G	U	LTD QTY/FIBERBOARD BOX	18002824200 / STULLER, INC.

Number of Records : 3

Total Packages : 3

Printed on: 21JUN12 16:33:33 LOCAL
ULD: UPST624775
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