Transport Security: Costs, Benefits and the Way Forward

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TAPA Worldwide has approximately 600 members throughout the world and is governed by three regional entities (Americas, ASPAC and EMEA).

Each regional group is autonomous but works together through the World Wide Council (WWC).

**TAPA EMEA is actively involved with:**

- Supply Chain Security (DG TREN – Directorate General Transport and Energy)
- Secure Parking (DG TREN)
- Authorized Economic Operator (DG TAXUD - Taxation and Customs Union)
Examples of members
Freight Security Standards (FSR)


- Worldwide minimum standards for freight forwarders’ facilities handling high tech / high value products.

- now covers 750 + facilities worldwide (A&B)

- A and B certification from independent audit bodies

- Recognised in some countries by AEO (Authorized Economic Operator) auditor bodies
• Truck Security Requirements (TSR)

• Developed in 2005 deployed in 2006

• Standard developed by TAPA to address the need for improved trucked freight security standards – due to crime displacement

• TSR is 100% focused on truck security controls including collection & delivery process.

• The FSR did not specify mandatory security controls for trucking companies seeking TAPA compliance

• The TSR allows detailed truck related countermeasures to be implemented that are not available in the FSR
The last decade

- Start of the current global “terror campaign” – 9/11 being the catalyst
- CTPAT, PIP, AEO, STP, Frontline, and many other government and industry security initiatives are introduced
- Increase in security in the supply chain, specifically facilities. I.e. Enhanced procedures and processes, screening and vetting, improved electronic security equipment (CCTV, alarm detection, access control)
- Even tighter controls with anything associated with “Airside”
- Although aimed at terrorists these enhancements have had “knock on “effect in regard to prevention of organised criminal group infiltration and attacks on facilities
Setting the scene?

**Result at the decade end**

- Crime displacement to the “road”

- Decreasing number of serious crime incidents at facilities i.e. burglary down by 60% * and values per incident also down

- Increased and more aggressive attacks on vehicles in transit (hijacks, jump ups, vehicles thefts) up by 150% * with incident value rising.

- Miniturisation of hi tech products increases value per kilo of goods in transit with average load values for mixed line-haul freight increasing fivefold

- Targeting of the “softer option” – The “warehouse on wheels” with in many cases a lower level of security

- Exploitation the low level of cross border LEA cooperation – Organised crime has no borders

* Source TAPA IIS
Freight in Transit – The same levels of security as facilities?

- Driver training – Security awareness in place?
- Screening and vetting – for all drivers including subcontract labour?
- Vehicle standards good enough? Or are “soft-sided” trailers, low quality locks and seals used?
- Are electronic enhancements in place? – Crypto locks, GPS, panic alarms, vehicle immobilisation
- Route planning standards appropriate? Are risk assessments undertaken – route planning, safe parking, escalation procedures
- The answer in many cases has been unfortunately – NO!
TAPA response

• Introduce Truck Security Requirements (TSR)

• TSR written in 2005, launched in 2006, unlike FSR it is completely geared towards goods in transit by road

• 3 levels of security, covering 6 elements:
  1. Physical Security
  2. Security systems
  3. Security procedures
  4. Personnel security
  5. Training
  6. Enhanced security requirements

• However it is still not as widely accepted as FSR
Why the reluctance?

- No real tangible anti terror benefits
- Costs - in the worse recession for 60 years it’s another cost to justify
- Even the top “blue chip” companies are buying movements on price
- Secure transport = a higher rate, who will pay the rate, will the carrier enhancing security lose business on cost?
- Ownership of standards - All carriers use a large percentage of subcontractors
- True loss value - from a carrier perspective CMR can lower the “pain” - $10 a kilo
- Not political vote winning - almost perceived as a victimless crime
Real Costs

To Customers Major incidents/ losses mean
- Increased premiums or difficulty to insure
- Loss of market share
- Loss of sales
- Degrading of brand – stolen pieces sold on grey/ black market

To Carriers Major incidents/ losses mean
- Health and safety of our people suffers
- Loss of traffic lanes to competitors – one traffic lane could be €10m
- Loss of customers
- Loss of credibility within industry – could result in loss of future opportunities

To Governments Major incidents/ losses mean
- Funding reaching the same groups involved in Drugs / illegals and terror
- Degrading of Countries credibility and status as a Logistics location
Benefits if the standards are raised

For the carriers
- Reduction in man hours for investigation, insurance, customer service
- Protection of staff, improvement in employee relations
- Market confidence – increase in business

For states
- Reduction in funding for criminal and terror activities
- Economic positives for the country from a Logistics perspective

For the Manufacturers
- Safer route to market
- Continuity of supply
- No loss of market share or degrading of brand quality
Way forward

- Government and E.U support in raising the profile in regard to transport crime
- Adequate secure parking around Europe
- Legislation to enforce use of secure parking
- All newly manufactured trucks and trailers to have GPS fitted as standard
- Insurance company mandating on minimum standards (TSR) for insurance purposes
- Increased cross border cooperation between LEA’s to combat organised crime against the supply chain
- PUBLIC PRIVATE INITIATIVES