

Toronto 2T07 Conference - Meeting Minutes

Copies of PowerPoint presentations will be placed on the web site (members only section) once approval is obtained from all presenters.

Day #1: June 5

Welcome And Agenda Review (Glenn Nilsson)

1. Introduction of attendees
2. Overview of agenda
3. Total attendees = 58 for TAPA meeting

Law Enforcement Presentation – Peel Regional Police (Michael Plante)

1. Primarily in the direct vicinity of Pearson Airport
 - a. Approx 150 trailer thefts anticipated for this year (\$ 16 million)
 - b. Typically grocery, household items, home improvement, electronics
 - c. Newer trends
 - i. Non ferrous metals (typical outbound to China)
 - ii. March 2007: warehouse theft of catalytic converters (they scrap it for metals)
 - iii. Plastics: from August 2006 – 13 loads of plastics (shipped out to China)
 - iv. Multiple loads taken
2. Influx of Asians and Eastern European gangs and organized crime
 - a. Mostly non-violent
 - b. Substantial activity by Chinese gangs that export scrap goods to China
 - c. Often use “staged accidents” as the MO to stop the truck
3. GTA-CTA (Greater Toronto Area – Cargo Theft Association) organized
4. Thieves are now using cell phone jammers to stifle cellphones and GSM communications

Transport Canada’s Canadian Anti-Terrorism Program

1. Transport Canada is the Canadian equivalent of TSA (covers only air shipments)
2. CIFFA = Canadian Freight Forwarders Association
 - a. Organization is 50+ years old (225 FF’s as members)
 - b. Website is www.ciffa.com
3. Transport Canada’s purpose is to harmonize the regulation relative to the USA regulations
 - a. Critical for air carriers (regulated), FF’s and the shippers
 - b. Two primary flows: “known shippers” versus “unknown shippers”
4. TC pilot program
 - a. Approval of cargo security plans (nationally)
 - b. Appointment and qualification of CSC’s and ACR’s throughout the supply chain
 - c. MOU to the voluntarily regulated agent
 - d. Development of security best practices by CIFFA/IATA (joint council)
 - e. List of approved “partners”
 - i. Cartage operators
 - ii. Warehouse operators
 - iii. Security partners

Partners In Protection PIP (Fred Lemay)

1. CSBA (Customs) program is concerned with all modes of cargo transport
 - a. Over 2,000 members in the program currently
 - b. Also eligible for FAST program in Canada and USA

2. Security and Prosperity Partnership 2.1.2
 - a. Minimum security standards
 - b. Joint training and reviews with C-TPAT
3. AEO

Motorola-Canada – Anti-Counterfeit Program (Jim Edwards, Motorola)

1. Defining the problem
 - a. Counterfeit – substantially similar to trademark owner products (unauthorized)
 - b. Knockoff – very similar design by copying original
 - c. Grey market – product sold into one market that is resold in another market
 - d. Fraud – returned/used product that is re-sold as “new”
2. Geography
 - a. China remains the largest piracy and counterfeiting problem

High Tech Coalition (Bill Byrnes)

1. Objectives of the coalition
 - a. Establish global high tech industry Supply Chain Security criteria/standards
 - b. Develop audit/certification model for high-tech suppliers to Supply Chain Security criteria/standards
 - c. Single onsite SCS assessment at supplier location
 - d. Minimize costs associated with onsite Supply Chain Security assessments
2. Perceived benefits
 - a. Facilitate rollout as countries implement WCO SAFE Framework, C-TPAT and other government supply chain security initiatives
 - b. Eliminates the need for suppliers to comply with different requirements from different customers. Assures compliance with supply chain security program requirements.
 - c. Eliminates need for suppliers to host redundant assessments by numerous buyers
 - d. Suppliers schedule and pay for onsite SCS assessments performed by authorized audit firms; results of all onsite assessments would be available to coalition members via secure portal
3. Member companies
 - a. Agilent
 - b. Flextronics
 - c. HP
 - d. IBM
 - e. Infineon and Qimonda
 - f. Intel
 - g. Motorola
 - h. Panasonic
 - i. Sanmina SCI
 - j. Solectron
 - k. Texas Instruments
 - l. Xerox
4. Current Status-Coalition Objectives
 - a. Supply Chain Security requirements developed (highest common denominator)
 - b. Request for Quotation prepared for independent audit firms (considering using same firms as TAPA)
 - c. Hurdles with ‘going it alone’ - governance, incorporation, another high-tech security organization?
 - d. Coalition has approached TAPA looking to partner
5. Partnering Status
 - a. TAPA Americas board elevated request to WW Council
 - b. Coalition presented proposal to WW Council last week (5/30)
 - c. Regional TAPA councils to confirm interest within few weeks

- d. If affirmative, a working group consisting of all three regions would be formed to develop plans to move forward.
- e. Reps from each region
- f. Rep(s) from high-tech coalition

World-Wide Council Review

1. Change TAPA name to Transported Asset Protection Association
 - a. Register the new TAPA logo
 - b. Implement all relevant logo changes (websites, presentations, documents, should not identify regions)
2. Review mission/purpose statements and amend to reflect new TAPA name change. Transported Asset Protection Association
3. Form global group to define TAPA direction & Strategy for One TAPA over next 3 years
4. Improve Public Relations information/performance.
 - c. Form WW PR working group (1 member from each region)
 - d. Agree if we will have global news letter/year book or not (implement decision)
 - e. Where applicable create process for alignment on PR releases
5. Global alignment of Government initiatives (i.e. AEO & C-TPAT etc)
6. Improve websites
 - a. Create TAPA international website
 - b. Post summary of changes made to FSR 2007 from 2005 version
 - c. Need to list all certified facilities and update quarterly
 - d. Area created for Common materials presentations in TAPA format in PR area.
7. Agree next steps for Audit Body MOU
 - a. When to update and impact
 - b. 2 years or 3 years?
 - c. More, same or less audit bodies
 - d. Changes to performance measurements of FSR certification process
8. Contact the audit bodies and identify their top concerns and issues
9. Identify and implement an improved global process to verify auditors are applying the correct methods to approve/deny certification
 - a. Shadow audits
 - b. Supplier surveys
10. Waiver notification from Audit bodies to TAPA
 - a. TAPA NA – Involved in all waivers granted by audit bodies
 - b. TAPA EMEA – 3 months update provided by audit bodies
 - c. TAPA Asia – Not involved. Ad hoc informal clarifications from time to time.
11. Create plans to promote FSR/TSR
12. What improvements are needed to ensure consistency in obtaining FSR certification (e.g. new FSR format, scoring matrix improved, waiver process reviewed)
13. Ensure global collaboration on updating FSR/TSR training documentation
14. TAPA H FSR –
 - a. Concern over the number of non-compliance and waivers at certain certified sites
 - b. No more A+
 - c. Not replacement of TAPA “A”
 - d. Certification?
 - e. Format?
 - f. Higher score than A?
 - g. Bench-marking
 - h. Additional requirements, such as perimeter fencing
 - i. Cost of implementation – who pays for enhanced security
 - j. Still in draft mode and need more deliberation on the implementation
 - k. Pro and Cons on the criteria
15. Align regional committees and working group structures that address
 - a. FSR/TSR development
 - b. PR

- c. IIS
 - d. TAPA Events
16. Next WWC meeting – Amsterdam HP office

Day #2: June 6

Agenda Review (Glenn Nilsson)

TAPA – Brazil Update (Alcides Acosta)

1. Chapter activities
 - e. TAPA FSR 2007 Auditors Training in Q3
 - f. TAPA Brazil Folder for PR release
 - g. TAPA Brazil Web Page Renew and Update
 - h. TAPA Brazil Bylaws Review to accommodate local new req's and trends
 - i. NTC&LOG (National Truckers Association) event to divulge TAPA coming up next August
 - j. Membership expansion – 70 companies
 - k. New Board of Directors Election – Nov/2007
2. Police making incursions into several organized theft gangs
 - a. Pyramid operation
 - b. Sao Paulo region
 - c. Cities of Campinas and Piracicaba now have specialized task force
 - d.
3. Detailed statistical update of thefts
4. Transponders for logistics control
 - a. Transponder (can be fully portable device powered by battery)
 - b. Base unit
 - c. Virtual fence
 - d. Alerting tower terminal
 - e. Main providers working in Brazil with has operation capacity
 - i. Omnilink
 - ii. Autotrac
 - iii. Controloc
 - iv. Controlsat
 - v. Jabursat
 - f. Cycles and Logistics Indicators
 - i. Target Controls :
 - ii. Time between destinations
 - iii. Loading time
 - iv. Unloading time
 - v. Driver Information, latitude/longitude, transported cargo etc
 - vi. Vehicle type, operations and other deliverable the shipper wants to control or analyze

TAPA Board Of Director Updates

1. Manufacturers (Brandon Stroud)
2. Forwarders (Rick Delapaz)
3. Secretary (Ted O'Sullivan)

Transportation And Cargo Security (Raymond Brown, MJM Investigations)

1. Four value chain V's
 - a. Visibility: The ability to identify movement within the supply chain; the cornerstone of situational awareness
 - b. Variability: The degree of change from consistency in the supply chain; although variations will occur, the manner they are handled is paramount
 - c. Velocity: The speed of output of the supply chain; ensure that cargo arrives neither too early or too late at the next stop, especially if high risk location
 - d. Vulnerability: The level of exposure to disruption in the supply chain; ensure that cargo are not tampered with
2. Four security D's
 - a. Deter: To discourage or prevent a disruption to the supply chain; through accountability, security patrols, background checks
 - b. Detect: Discovering the existence of a threat to the supply chain; through alarms, seals, content monitoring to be alerted to a breach of security
 - c. Delay: Temporarily impeding or hindering onset of threat to the supply chain; taking steps to delay the impact of the event
 - d. Dispatch: Responding to a supply chain threat; through appropriate and timely response with preparedness
3. Four solution set C's
 - a. Coordination: Fully integrated, seamless interaction among all entities in the supply chain; essential due to reliance on firms and individuals in the security process
 - b. Cooperation: Joint action taken for the mutual benefit of all; equals trust among security process partners to seek common goal
 - c. Consultation: Seeking information in order to improve business and security; improves understanding by all to anticipate security concerns and requirements
 - d. Collaboration: Working together to improve business processes; improves security and business Return on Investment
4. Best practices implementation: the focus of best practices in the movement of cargo centers on the concept of end-to-end control of the movement of freight, necessitating the coordination of the security practices of suppliers, carriers, retailers, forwarders, and others.
5. Situational awareness: focused on the information needed to track a firm's goods from point of origin to destination.
6. Training and exercises: successful application of security measures is dependent upon educating the personnel involved and making certain they understand the responsibilities for ensuring the security process.
7. Outreach: security of assets in transit requires cooperation of public and private sector entities.

Container Seals (Dave Hawking - Brooks Seals)

1. Differentiation of seals
 - a. Indicative seals
 - b. Barrier seals
2. Both CBP and ISMA are tightening seal testing verification to obtain compliancy.
 - a. ISMA has just announced that Bodycote ACT Laboratories (Hillsdale, MI) will be the sole ISO certified test lab for all the members.
 - b. ACT labs is the only ISO 17025 lab that is certified to test for ISO/PAS 17712.
 - c. If ISMA members do not use submit seals for testing by April 30th suspension from the organization maybe imposed on that member. (ISMA-Intl. Seal Manufacturer's Association)
3. Key ISO/PAS 17712 Performance Elements
 - a. There are four value tests required:
 - i. Tensile strength (pull apart force).
 - ii. Shear strength (cutting force).
 - iii. Bending strength (back and forth movement)
 - iv. Impact resistance (direct force on the product)

- b. Impact testing is the most difficult and must be done at multiple temperatures.
 - c. The product must have the manufacturer's name on the seal for traceability and the letter "H" for high security.
 - d. The product must be tested by an independent lab that is certified according to the standards outlined in ISO/IEC 17025.
 - e. The testing lab must not be affiliated in any way with the manufacturer.
 - f. Requirements: A bolt or cable must minimally withstand:
 - i. A "Tensile" or pull apart force of 10.kN which is 2250 lbs/ 1022.7 kilos.
 - ii. A "Shear" or cutting force of 341 kg-f which equals 751.8 lbs/341.7 kilos.
 - iii. "Bending" or back and forth movement of 50Nm for a solid bolt or 36.9 ft/ lbs. A cable is tested for bending by moving the cable 500 times at a 180° degree angle. If the cable does not come apart, it passes.
 - iv. An "Impact" or a gradual direct force leading to 30 ft/lbs. force/load.
4. Overall market trends
- a. Mechanical barrier seals will eventually be REQUIRED on ALL inbound and outbound U.S. and Canadian containers.
 - b. The Customs Trade Partnership Against Terrorism concept elements will take hold around the world (WCO).
 - c. On the domestic front, ISO 17712 high security seal products will have expanded usage for food, drug and hazmat shipment protection.
 - d. Domestic seal devices used for sea, air and land transportation will be upgraded with certain logistics areas mandating seal protection for both transportation and storage.
 - e. Mechanical protection will be enhanced to include electronics with seal verification accelerating the process.
 - f. In order to decrease cross border container processing, e-seals will become very popular.
 - g. Layered protection strategy will expand into alternative security options.

Planning For 3T07 Meeting

1. Panalpina will host (in Washington DC area – probably in Alexandria, Va) on October 2+3
2. Agenda ideas
 - a. Air France/KLM presentation on airfreight security
 - b. Technology presentation: electronic security (alarms, etc..)
 - c. Geographic hot spot – exchange of experiences and analysis of IIS data