



LUNCH AND LEARN

Transported Asset Protection Association TAPA

Industry Security Standards

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An Overview of TAPA:

- Founded in the U.S. in 1997 and extended to EMEA and APAC in 1999.
- Chapters have also been formed in Brazil and South Africa.
- Membership is open to shippers, transportation carriers, logistics intermediaries, insurers and insurance brokers as well as other supply chain related companies involved in cargo security and theft prevention.
- Today TAPA has 550+ member companies.
- Market cap valuation of member companies \$ 1.6 trillion, with sales above \$ 910 billion annually.



TAPA's Strategic Intent

- To foster the development and implementation of supply chain security “Best Practices.”
- To influence their recognition and/or adoption by government and regulatory bodies.
- To promote compliance within a host of industry groups, individual companies and professional organizations.



TAKING THE LEAD



- **TAPA** is actively involved with agencies responsible for the design and implementation of government initiatives such as C-TPAT, PIP, and TSA's mandated inspection program for air cargo
- **TAPA** focuses its "T" meetings (3 per year) on subjects critical to its members

“T” Meetings



- **“T” 3, November 2009 – “WORKING WITH GOVERNMENT INITIATIVES”**, hosted by Xerox Corporation in Virginia in cooperation with the Pharma Security Council, the High Tech Coalition and the Maritime Security Council
- **“T” 1, February 2010 – “DESIGNING A HARD SECURITY SYSTEM”**, hosted by ADT, Phoenix, AZ
- **“T” 2, June 2010 – “INSURING FOR THE FUTURE”**
How TAPA members and insurers should relate –
What can TAPA membership or certification mean to underwriters
- **“T” 3, November 2010 – “SECURITY IN TRANSIT”** –
Working with the trucking industry to protect cargo in transit



- Today's TAPA Standards
 - Freight Security Requirements (FSR)
 - Truck Security Requirements (TSR)

- Future Planned TAPA Standards
 - Air Cargo Security Requirements (ASR)

Freight Security Standard



- Introduced 2001; updated in 2005 and 2007.
- Worldwide standards (three levels) for freight forwarders, cargo facility operators/owners and intermediaries handling high value, theft-attractive goods.
- Currently implemented in over 1,000 facilities.
- Validated by third party auditors.
- Recognized by TAPA and accepted by U.S, CBP C-TPAT program as BKM (Best Known Method).

FSR Assessment Areas



1. Perimeter Security;
2. Access Control – Office Areas;
3. Facility Dock/Warehouse;
4. Security Systems;
5. Security Procedures;
6. Standard Truck Security;
7. Pre-Alerts;
8. Enhanced Security Requirements.

Truck Security Standard



- Standard developed by TAPA to address the need for improved trucked freight security standards.
- Developed in 2005, implemented in 2006
- TSR is 100% focused on truck security controls including collection & delivery process.
- FSR does not specify mandatory security controls for trucking companies seeking TAPA compliance
- Allows detailed truck related countermeasures to be implemented that are not available in the FSR
- Gives Buyer & Supplier another tool to select appropriate security controls from
 - *Scaleable security countermeasures*
 - *Costs are measurable and subject to Buyer/Supplier negotiation*
 - *TAPA FSR only covers a minimal truck security controls, none of which are mandatory*



- Consolidation of both Member and Law Enforcement reported incidents
 - The 8,250 files in the America IIS database total > \$ 800 M
 - EMEA Loss value reported > 435 M€
- Highly protected database
- Added value
 - Assists Members in identifying ‘hot spots’ and evaluating trends.
 - Promotes publication of known warnings allowing for more timely and informed response.
 - Allows Members to assess their Supply Chain Risk Profile
 - Serves as a centralized informational exchange between Members and law enforcement and other interested parties.



- From a Global perspective, TAPA conducts benchmarking efforts
- Data Collected:
 - Losses by region (%) (**Americas, EMEA, Asia**)
 - Number of incidents
 - Geographical loss hotspots (**Airports, Seaports, Cities, Countries**)
 - Losses by mode of transportation (**Truck, Sea, Air, Rail**)
- Purpose:
 - Trend geographical loss “hot-spots”
 - provide data analysis for security best practices in cargo theft management
 - Establish loss ratio index for industry comparison

Sample of IIS Bulletin and Data



Incident Information System

QUARTERLY REPORT

Issue 2007.1

First Quarter 2007

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INTRODUCTION

EXECUTIVE SUMMARY

KEY INCIDENTS IN THE FIRST
QUARTER OF 2007

2007 IIS INCIDENT MAP

IIS LOSS DETAILS BY MODE OF
TRANSPORTATION: IIS TOTALS

Introduction

The first quarter of 2007 is the 15th issue of the IIS Quarterly Report. Launched in September 2005, the Incident Information System (IIS) was developed as a tool for TAPA America's members to log onto and search cargo theft incidents that occur in North America and worldwide. The IIS Quarterly Report is a summary of incidents submitted to the IIS. Continued enhancement of this report depends largely on the regular submission of incidents by TAPA members.

All data for this analysis was extracted from the IIS repository.

Executive Summary

This report is based on cargo theft incidents logged into the IIS that occurred prior to March 1, 2007.

March 2007 marks a full 18 months that the TAPA IIS has been in operation. In this time period, the tool has logged 828 incidents and \$286 million in losses dating from 2003. In the first quarter of 2007, the system logged 100 incidents and more than \$31.1 million in loss.

Passive truck thefts continue to be the most common cargo theft modus operandi in North America. The use of force is reported infrequently. In 2007, there were four incidents reported to the IIS in which force was used to take over loads in Northern California, Miami, Atlanta, and New York.



Truck thefts from unsecured locations account for the vast majority of truck losses. Of the incidents reported thus far in 2007, the most common truck loss locations include loads left unattended at truck stops and loads parked overnight at a carrier's facility.

Warehouse losses were reported, but much less frequently than truck losses. The greater Dallas area, South Florida, and both Northern and Southern California are the regions consistently reporting losses of this type. Combined, the three areas account for 50% of the warehouse incidents reported in the IIS to date.

The high-tech products that have the highest losses reported to the IIS include microprocessors, mobile phones, and home audio/video products. Combined, they account for 58% of high-tech incidents reported. Printer and desktop computers have the lowest incident rates of high-tech products reported to the IIS, accounting for 3% and 6% of the incidents reported respectively.

Note: A complete list of the high tech product included in the above analysis can be found on page 5

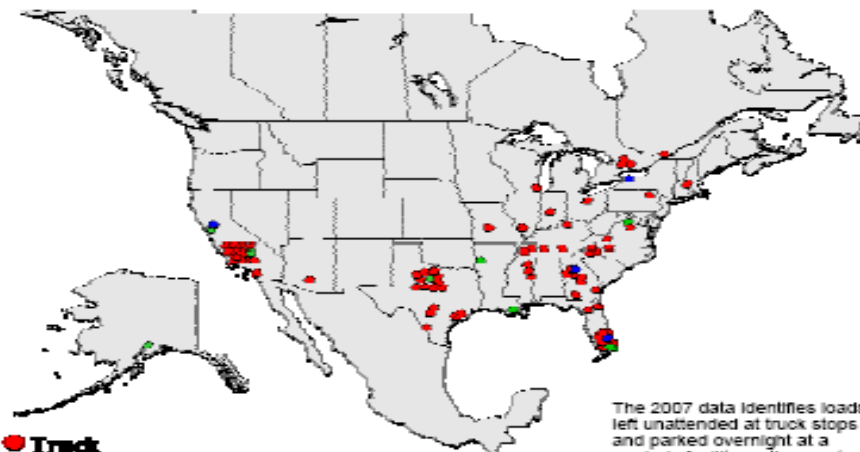
IIS Loss Details by Mode of Transportation: IIS Totals

Mode	Incidents	Incident Percentage	Value	Value Percentage
Truck	609	73.6%	\$243,925,623	85.2%
Air	44	5.3%	\$1,146,176	0.4%
Warehouse	48	5.8%	\$24,357,171	8.5%
Unknown	102	12.3%	\$13,480,514	4.7%
N/A	16	1.9%	\$130,377	0.05%
Sea	5	0.6%	\$2,227,417	0.8%
Rail	4	0.5%	\$1,090,000	0.4%
Total	828	100.00%	\$286,357,278	100.00%

The above table contains the IIS data; the incident dates range from 2003 to March 31, 2007.

2007 IIS Incident Map

The map of North America below provides a geographical reference for incident locations by loss type (Truck, Truck Hijacking and Warehouse). Each mark on the map represents an IIS incident occurring between January 1, 2007 and March 31, 2007.



- **Truck**
- **Truck (Hijacking)**
- **Warehouse**

The 2007 data identifies loads left unattended at truck stops and parked overnight at a carrier's facility as the most common loss locations in North America.

Advantages of Membership



- Through the establishment and use of IIS, TAPA has enhanced the exchange, consolidation and analysis of Supply Chain Threat Intelligence which has directly increased responsiveness and awareness within both the public and private sectors dealing with cargo security and theft prevention.



- **CBP has made a professional quality film showing multiple ways in which seals and ocean containers can be covertly violated.**
- **This film is not available to the public and TAPA cannot share copies**
- **The film shows more than fifteen methods of bypassing seals and entering containers – we want you to know about that, but not the cargo criminals**

TAPA

Perpetual Goals



- Expand our standards to address the end to end supply chain
- Continue to build TAPA recognition on a WW basis
- Influence Govt. regulations and become an active partner
- Continue to work towards a “one TAPA” concept within common areas
- Explore the possibility of including anti-terrorism requirements within our standards.

INSURERS AND TAPA



- When considering risks involving cargo which could be targeted for theft, underwriters should ask the following questions:
 - 1. Is the customer an active TAPA member in all areas of the world where it does business?
 - 2. Does the customer require TAPA certification of its own facilities or facilities used by its 3PLs?
 - 3. Are those certifications current and at what level are they issued: A, B, or C? (A is highest)
 - 4. Is the customer C-TPAT certified, and at what Tier level – I, II, or III, with III being the highest. How long have they been certified?



Transported Asset Protection Association

TAPA The Americas

<http://www.tapaonline.org/>

TAPA (EMEA) Europe, Middle East & Africa

<http://tapaemea.com/public/index.php>

TAPA Asia

<http://www.tapa-asia.org/>



QUESTIONS and COMMENTS

