

TRUCKING, SECURITY AND THE NAFTA TRADE ZONE

12th Annual WCO Picard Conference

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Objectives:

- What is the security reality of commercial trucking in the NAFTA zone?
- What is the role of the border in security?
- What can be done to reduce risk and increase the disruption of smuggling?





NORTH AMERICAN FREE TRADE ZONE BACKGROUND

- NAFTA came into effect in 1994.
- US – Mexico trade increased by 506% between 1993 – 2012.
- US – Canada trade increased by 192% between 1993 – 2012.
- Canada – Mexico trade has increased on average by 11%/year.

NAFTA and the trucking industry



- Within NAFTA zone up to 80% of cargo is moved by truck and much of that cargo will cross a border at one point or another.

Borders, security and trucks.



BORDER COSTS

- General agreement that security protocols at borders have “thickened” the border.
- Costs include: preparation of trade products, training for staff, wait times and adjustments to distribution tactics.
- Wait time vary on location, but are frequently 1-5 hours.
- Some manufacturing components can cross the border 5-7 times during assembly, adding considerably to manufacturing costs.

Commercial trucking and smuggling



Commercial trucking and smuggling



Commercial Trucking and Smuggling

- Commercial trucks are the preferred means of smuggling in the NAFTA zone.
- Inspection rates at borders are at 4-5% for commercial vehicles.
- Increases in security protocols along the border has created a “professionalization” in the smuggling industry (Andreas).

Pre-clearance programs

- CUSTOMS TRADE PARTNERSHIP AGAINST TERRORISM. (C-TPAT)
- FREE AND SECURE TRADE (FAST)
- CONTAINER SECURITY INITIATIVE (CSI)
- 24 – HOUR MANIFEST RULE
- AUTOMATED COMMERICAL ENVIRONMENT (ACE)
- PARTNERS IN PROTECTION (PIP)

EXPLOITING POINTS OF VULNERABILITY



WHAT CAN BE DONE?

- INFRASTRUCTURE AND STAFFING AT BORDER CROSSINGS.
- MOVING SECURITY PROTOCOLS TO OTHERS POINTS IN THE SUPPLY CHAIN
- INTEGRATE INTELLIGENCE WITH PRIVATE PARTNERS

PERIMETER SECURITY MODEL

- Based on the Security Communities concept developed by Deutch (1957), and Alder (1998)
- Concept has evolved from being a set of countries where large scale violence (war) is unlikely, to sets of countries that cooperate in collective security.
- North American Perimeter security (Kilroy, Rodriguez and Hataley)

PERIMETER SECURITY MODEL

- COMMERICAL CARRIERS MOVE FREELY ACROSS INTERNATIONAL BORDERS WITHIN THE NAFTA ZONE.
- SECURITY SCREENING MOVES PREDOMINATELY DOWN STREAM IN THE SUPPLY CHAIN.
- WAREHOUSES AND SUPPLIERS SUBJECT TO INCREASE SCREENING.
- EXISTING RULES FOR PRE-CLEARANCE WOULD CONTINUE.

PERIMETER SECURITY MODEL

- E-SEALS REQUIRED SO AS MANIFEST COULD BE READ ANYWHERE ALONG ROUTE.
- TRAILER E-SEALS LINKED ELECTRONICALLY TO THE TRUCK GPS.
- COMPANIES WOULD BE REQUIRED TO MAINTAIN A TRAVEL PLAN FOR EACH TRUCK AND TRAILER (LIKE THE AIRLINE AND SHIPPING INDUSTRIES).

CONCLUSION

- WITHIN THE NAFTA TRADE ZONE, COMMERCIAL TRUCKING HAS BECOME THE PREFERRED MEANS TO MOVE CONTRABAND.
- FOR A NUMBER OF REASONS, SECURITY PROTOCOLS CAUSE SIGNIFICANT COSTLY DELAYS AND HAVE LIMITED EFFECT.
- BY INCREASINGLY MOVING SECURITY MEASURES UP STREAM IN THE SUPPLY CHAIN RISK CAN BE REDUCED.
- ADOPTING A PERIMETER SECURITY MODEL WILL REDUCE WAIT TIMES AND REDUCE COSTS.

THANK YOU.

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