

"Stop, thief!"

Increase in cargo theft spurs demand for satellite-based trailer tracking

Not long ago, a carrier had a truck trailer stolen in the Los Angeles area. Fortunately, the customer had deployed a satellite tracking system on the trailer, so the trailer was quickly located and the driver apprehended.

But that's not the end of the story. The police conducted a check on the driver and found out he was a member of a well-known L.A. crime ring. With tips gained from the arrest, the police eventually broke up the crime ring and made local headlines in the process.

It's not every day that a satellite tracking system helps break up a crime ring, says Brad Aitken, TransCore's GlobalWave director of business development based in their Toronto, Canada office. But with cargo theft rising as the global economy weakens — costing shippers and customers an estimated \$10 to \$30 billion annually — Aitken notes that satellite tracking equipment is a must-have tool for combating cargo theft.

"If it's 20 minutes late, it's too late," Aitken says of locating stolen trailers and cargo.

With cargo theft on the rise, Aitken has been inundated with calls from carriers looking for tracking devices "to run their daily operations and as a backstop for theft." Even in better economic times, he says crime in major urban areas "is well-documented and pretty high. Millions of dollars of cargo are stolen on a daily basis."

The Chubb Group of Insurance Companies recently put out a well-cited report — based on data collected from January 2005 through June 2008 — indicating that consumer electronics, food and clothing are the three most stolen cargoes, and thefts of these and other items occur most often during the weekend.

Much cargo theft remains under-reported because businesses may be



reluctant to report thefts out of concern for their reputations or to thwart higher insurance premiums. Also, an estimated 80% of cargo thefts are inside jobs, according to the Federal Bureau of Investigation.

"Cargo thieves are opportunists, and these statistics indicate where, when and how they are likely to strike and the type of goods they are likely to target," said Barry Tarnef, a marine loss control specialist for Chubb Marine Underwriters. "Although many incidents go unreported, cargo crime in the United States is estimated to cost businesses several billions of dollars per year."

Aitken finds demand is coming mainly from shippers, since they are the parties that often insure the freight and find themselves "on the line when goods are stolen."

Among customers who have sought tracking to thwart cargo theft, Aitken says business has been particularly strong among fleets servicing Mexico, where crime is notoriously high.

Aitken also notes that the market for trailer tracking has grown significantly in the last three or four years as product capabilities have improved. "We now have a battery that lasts almost three times what it did three years ago, which makes it a far better investment for the carrier," he explained. The battery in question can provide service for up to six years.

Satellite tracking systems like these combine global positioning systems (GPS) with sensors and geofencing capabilities so that any time a trailer door is opened or closed — or a truck reaches a pre-designated location or exceeds a pre-designated timeframe — alerts can be sent directly to carriers or shippers. According to Aitken, these sorts of capabilities are very crucial to thwarting theft in an LTL or pickup-and-delivery environment where stops are frequent. Aitken added, the fleet or shippers "do not have to worry about the driver communicating [a problem]. It's all automated."

Jonathan Frichtl, freight exchange tracking manager for long-hauler Freight Exchange of North America, Chicago, Ill., says he can get an accurate picture of nationwide load activity within 45 minutes each morning as a result of the company deploying a TransCore satellite

tracking system. He's had more than one brush with potential theft of a trailer, but the GPS-based devices combined with satellite communicating relay meant Freight Exchange was able to locate missing trailers before any illicit activity could take place.

He remembers the time, on a previous job, when he had "one trailer vanish; taken out of a lot in Chicago. The company used another system that sent me a longitude reading taken at 5:30 a.m. . . but it was 3 p.m. in the afternoon [by the time he saw the information]. That trailer was long gone by then, and we didn't get it back."

He had quite a different experience recently at Freight Exchange with a trailer that disappeared in Texas. It was picked up by accident at a lot. Frichtl said, "No one knew what happened to it. With [the new satellite system], I had a fix on it fast, and I was able to contact the company that took it." Once he had time to explain the situation, along with the records to back up his claim, the company emptied the trailer and returned it within 24 hours.

"It doesn't take more than 10 minutes to have a truck and trailer gone, but you really can't lie to a satellite," he pointed out.

Frichtl, who follows a more rigorous tracking schedule than many carriers, manually pings his trailers three times each day so he can know "morning, noon and night where my trailers are. I hit the button at 6:32 this morning and got my first response back by 6:37. That's fast!"

It's that "real-time response," or close to it, that has proven to be a major advantage time and time again to carrier and shipper customers, says Aitken, who adds that there are no coverage issues with satellite-based devices unless the trailer or cab is inside a building. Some units, particularly those used for refrigerated trailers, do offer multi-mode communication to provide ubiquitous coverage, he explained.

"A lot of fleets are concerned that they won't get information quickly enough with goods being stolen so fast. We can provide real-time response to a potential theft," Aitken said. ^{T3}

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