



DEPARTMENT OF TRANSPORTATION

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REMARKS BY U.S. SECRETARY OF TRANSPORTATION JOHN A. VOLPE TO THE CARGO SECURITY CONFERENCE, STATLER HILTON HOTEL, TUESDAY, JUNE 20, 1972, WASHINGTON, D. C.

One year ago, on the occasion of the first cargo security conference, I called for a counter-attack on cargo crime. Since then, the "wanted" posters have gone up all across the country -- in truck terminals and warehouses, on docks and in depots, at airports and in freight yards. The word is out: The cargo thief is a wanted man.

A year ago I called our first Government-industry conference "a turning point". I warned the plunderers and pilferers of merchandise in the transportation pipeline that the era of permissiveness had come to an end. The transportation industry would no longer be fair game for the larcenous and the light-fingered. We were gearing up to fight back.

We have made good on that promise; we are fulfilling that pledge. During the past year we have surrounded the cargo loss problem and attacked it from all sides. We are far better prepared to weed out the thief and to ward off the looter than we were in June 1971. Today cargo theft is no longer the forgotten crime; its correction no longer an uncertain art.

Concern for the protection of persons and property in transit begins at the top with President Nixon. The President is as firmly committed to stopping the truck hijacker as he is to defeating the aerial hijacker. There is no place in transportation for the pirates or parasites who prey on the industry at the expense of the consumer.

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Our program has President Nixon's blessings and his support. Let me read the President's statement relating to the conference and to our security mission:

"As the National Cargo Security Conference convenes in Washington, I welcome this opportunity to re-emphasize my concern with thefts of cargo from the Nation's transportation system.

"We must stop the heavy toll that these crimes take as they feed inflation, contribute to organized crime, erode profits and insidiously add to the costs of the products we purchase.

"I have directed the Secretary of Transportation to continue his leadership of the total Federal effort that was initiated last June and has involved the co-ordination of cargo security plans and procedures of all concerned Federal agencies. I have also asked that he report to me in six months on further actions undertaken and new progress achieved in reducing cargo theft losses.

"Yet we all recognize that the problem cannot be solved by Federal action alone. That is why I am so pleased with this conference, reflecting as it does the joint concern and determination of the public and private sectors, and I commend all of you for your response to this pressing concern."

That is President Nixon's statement on the subject before us. I fully expect to report to the President, by the end of this year, that the team is still at work, and that we are gaining steadily on our adversary.

Mr. Petersen will agree with me, I hope, that it's good law enforcement practice to "know your enemy". Until recently, we hadn't really known very much about the cargo thief. Reliable data have been hard to come by. Companies have been reluctant to point the finger of suspicion at those in their midst. Unexplained losses have been attributed to "shortage", "shipping errors", and even logged under the heading of "mysterious disappearance".

As a result of a study we commissioned on the extent of cargo theft, we are now 99 percent sure that most of the unaccountable losses represent merchandise stolen, usually in small lots, by people with access to storage areas and transport facilities; in other words, authorized personnel. The study of cargo theft patterns and practices suggests that better than four-fifths of the goods stolen or pilfered during the transportation process somehow finds its way out the front door of cargo terminals.

Most of you, I am sure, are familiar with the results of our cargo theft study and the further analysis we have done on the high value commodities. It is our conclusion, for example, that 13 categories of commodities account for nearly 90 percent of all transportation thefts.

The total cargo theft bill in the United States is at least one billion dollars. That's considered a conservative figure -- and it is almost certainly low.

Our study, based only on "provable" data, puts theft-related losses in the trucking industry at 850 million dollars. Senator Alan Bible, who -- along with Senator Magnuson -- deserves a great deal of credit for exposing cargo theft for the serious problem it is, estimates truck cargo losses at 925 million dollars for 1971, up 17 percent over 1970. And that figure applies only to merchandise taken from trucks and trailers, excluding goods that disappear from terminals and other locations.

The National Automobile Theft Bureau calculates total trucking industry losses at 994 million dollars, up from 276 million dollars five years ago. Truck hijacking today can be more lucrative than robbing a bank -- the typical bank robber last year got about 4,500 dollars; truck losses now average 47,000 dollars, with some running in excess of 100,000 dollars.

The facts speak for themselves. All we have learned this last year verifies the necessity for taking firm and urgent action to bring cargo theft under control.

My message to you is twofold. I am pleased with the significant progress the Interagency Committee and the Industry Council have made. But I must urge you to do more before we dare to relax or look to our laurels as crime-fighters.

I said last year that I expected to see a new era of co-ordination and co-operation evolve from your meetings. In that respect, no one can be disappointed.

The Interagency Committee has held 12 monthly meetings -- all well and faithfully attended. The working groups have performed yeoman service in building a structure for the deterrence, detection and prevention of cargo theft. Fourteen Federal agencies have worked together amicably and effectively.

As a result, there is for the first time -- a widespread security awareness within the industry and better understanding of the costs of cargo crime.

We now have an industry wide formula for determining the economic impact of cargo loss and a tried-and-true method for evaluating cargo loss reduction programs. Quarterly loss and damage reports are now required by the Interstate Commerce Commission and the Civil Aeronautics Board. These reports plus the similar Federal Maritime Commission regulation now being processed, will provide continuing data for determining soft spots and for gauging our progress in whittling away at the cargo loss problem.

We have a library of theft prevention publications, including a cargo security textbook for shippers and receivers, guidelines for physical security, and an application guide for cargo security equipment.

We have the spirited support of other Federal agencies and the States in the attainment of our common objective -- the suppression of theft and the protection of property. I asked each of the Nation's Governors to appoint personal representatives to work for better security and enforcement procedures within their States. To date, 44 have responded favorably.

We have had a series of pilot projects, initiated by the Departments of Transportation, Treasury and Defense. Those activities will be reported on later in this Conference. They are worth careful attention. We have seen in these model programs how a little extra care can pay off in safeguarding high-value cargo.

We have put the heat on the cargo thief by treating him as the criminal he is. We are not in the law enforcement business in transportation, but the Attorney General is. The Justice Department's actions for increased investigation and prosecution by both Federal and local authorities, are just what the doctor ordered.

There are other encouraging reports on this first anniversary of our crusade against cargo crime.

Air cargo thefts at Kennedy Airport reportedly have declined 49 percent since 1969.

The use of a tough wire cable to secure boxcar and trailer doors has cut break-ins by 75 percent for the Nation's largest "piggyback" operator, and reduced thefts by 60 percent for a major tobacco shipper.

An experiment in collective security has produced better protection at lower cost for seven northern New Jersey trucking companies.

Motion sensors and helicopter surveillance are proving to be worthwhile theft preventatives.

Better locks, new access control systems, improved surveillance systems, and more sophisticated alarm systems are being developed or have appeared on the market. In the meantime, there is a growing use of such common sense devices as fences, floodlights and improved supervision as more and more companies come to the realization that security is a good investment that losses due to theft should not be one of the unavoidable costs of doing business.

We have made a good beginning in our campaign to control and to curtail cargo theft. The forces against transportation crime are growing. We are becoming more knowledgeable, better skilled, and better equipped, with more technical and procedural tools at our command.

There is strong support in Congress for theft-control legislation. The Cargo Commission Act, introduced by Senator Bible and Congressman Pickle, would set up a presidential commission to make recommendations on the effective long-range cures for cargo theft.

The Bill is a good one and the Department supports it. It is now being considered by the House Committee on Interstate and Foreign Commerce. The chairman of that Committee, Congressman Harley Staggers, is sharing the program with us this morning, and I'm sure he will report to us on the status of that legislation.

I am delighted to have Congressman Staggers with us today. I know from many years of personal association his intense interest in meeting the transportation needs of our Nation, and his considerable skill and experience in doing just that.

Before we hear from Mr. Staggers, let me say for the record that in our confrontation with the enemies of cargo security, we have just begun to fight. We didn't wait for legislation last year. And we are not waiting this year. We will welcome appropriate Congressional action, but in the meantime we will continue to work for the protection of goods entrusted to the Cargo Transportation Industry. This next year (Fiscal 1973) we will begin issuing cargo security advisory standards for all modes of transportation. The incentives for compliance lie in the economic benefits of reduced losses and lower insurance costs. Just as lax security measures erode profits, effective security procedures can bolster profits. It just makes good commercial sense for companies to follow good security advice.

I urge shippers and handlers, and all who make up the conduit of commerce, to support and implement these advisory standards. I also endorse the formation of self-help organizations wherever possible. The Coast Guard is presently encouraging cargo protection organizations at major ports. Four are already in existence; eight more are in the formative stages.

President Nixon's direction to me is to continue to lead a "total Federal effort" for cargo security. Based on what we have accomplished this first year, I believe there is no longer any excuse for wholesale theft or rampant pilferage in the transportation industry.

We have the tools and the talents to put a stop to cargo crime.

We have the resolve and the determination.

We have a total Federal and industrial force marshalled to meet the challenge. And we have laid a strong and solid foundation from which to work.

The cargo thief has had it too easy too long. We must use every discipline to deny him the occasion, the opportunity and the incentive to steal. That must be our common and our continuing goal.

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