

JOC > Trucking Logistics Technology Speeds Up US-Mexico Truck Trade

Mark Szakonyi, Senior Editor | Apr 18, 2014 4:20PM EDT



A truck with the Project 21 decal.

EL PASO, Texas — The trucks here crossing the border from Juarez, Mexico, with "Project 21" decals are cleared by U.S. and Mexican customs agents faster than those trucks without the sticker, allowing drivers to get their goods from Mexican factories to U.S. customers faster.

That's because the trucks are part of a public-private partnership between the City of El Paso and U.S. Customs and Border Protection that tracks the trucks from maquiladoras — or Mexican factories focused on exports — to their final destinations. Technology provided by Secure Origins gives trucks in the program a higher level of security, since U.S. Customs will be alerted if drivers veer off route and tamper with the trailer door.

As a result of the technology and better lane segmentation on the Mexican side, trucks in the Project 21 program move through the various border checks in an average of 22 minutes, compared with the average 76-minute wait time before the program began in January 2013. Those same trucks improve their turn times on average by 33 percent, saving each truck about 1.6 gallons of diesel per move. Trucks not in the Project 21 pilot also move faster through the port of entry because congestion as a whole is reduced, said Nelson Balido, vice president of public affairs at El Paso-based Secure Origins.

Secure Origins wants to bring the same benefits to other U.S.-Mexico and U.S.-Canada border crossings, and is even looking at offering Mexican authorities the same visibility for southbound trucks. The technology, one of several platforms tracking cross-border moves, points to a way a cash-strapped U.S. Customs could better facilitate growing U.S.-Mexico trade without adding agents and spending on ports-of-entry infrastructure. The technology can also show Customs how best to allocate its resources, whether they be agents or construction dollars, Balido said.

"We didn't add another lane. We didn't add more people," he said. "This is a process issue, not a manpower or infrastructure issue."

The time savings add up, particularly as cross-border trade grows. More U.S. importers are looking south of the border to feed North American demand as Chinese labor costs increase and transportation costs rise. Increased sourcing from Mexico is also being driven by a desire for shorter, leaner supply chains. Every minute of delay at the five busiest U.S.-Mexico border crossings, which include the El Paso-Juarez port of entry, costs the U.S. economy about \$116 million, according to the U.S. Commerce Department.

But part of the problem is that CBP doesn't know exactly how long it takes to cross the border, since it only tracks its own operations, not the time for checks by Mexican customs, the Federal Motor Carrier Safety Administration and Texas Department of Public Safety officials, Balido said. The agency doesn't give reliable or consistent cross-border wait time data, nor does Customs have the necessary metrics to determine how well it is facilitating trade, the Government Accountability Office, the congressional watchdog, said in a July 2013 report. U.S. Customs didn't respond to multiple requests for comment.



Secure Origins monitors trucks hauling goods from Mexico to the U.S. via its control room in El Paso, Texas

Without a true understanding of cross-border transit times, Balido asks how U.S. Customs will be able to prove to shippers they are getting their money's worth for the extra dollars they can spend to get their goods across the border fast. Under a yet-to-be-launched pilot, shippers moving goods through various ports of entry — including the land port of Laredo and the Miami seaport and airport — can pay for additional staffing during busy times or for extended hours.

Equally distressing is that the difference in the time it takes trusted shippers and those not in the Customs-Trade Partnership Against Terrorism program is "negligible," said John Rippee, chief operating officer at Secure Origins. U.S. Customs sells the C-TPAT program and access to FAST lanes at surface ports of entry as a way to reduce the chances that a participant's cargo will be stopped for inspection. But many in the industry doubt whether the cost and time of meeting program requirements are worth the trouble. Secure Origins said it hasn't tracked a significant decrease in northbound transit times since the city of El Paso and Customs signed a five-year, \$1.5 million annual partnership aimed at increasing the number of agents so more lanes can be opened. Instead, commercial truck drivers have to pay 50 cents for another "negligible" benefit, Rippee said.

Currently, Secure Origins tracks about 4,500 trucks and 1,500 trailers as they move from maquiladoras and over four border crossings, including two in El Paso, one in Santa Teresa, N.M., and one in Pharr, Texas. Shippers and motor carriers pay Secure Origins \$50 a month per truck unit the company tracks.

Aside from cargo security and faster cargo processing, Balido said the technology also helps protect motor carriers themselves. For example, the technology notifies U.S. Customs if the truck goes off its course and the door is opened prematurely, lifting the onus from the dispatcher or driver to report the erratic behavior. That's important because smugglers that have lost millions of dollars in contraband goods could seek retribution against the driver, dispatcher or motor carrier owner and their families.

Trucking companies "tell us, 'I don't want to know if there is a problem. Just tell CBP," Balido said.

Autotransportes Chamizal, a Mexico-based flatbed motor carrier, has already seen its tractors move faster across the border since it joined Project 21 earlier this year, said Oscar Baca, owner and general manager of the nearly 50-year-old carrier. The technology, which tracks the 45-tractor fleet for solely domestic hauls and cross-border moves, has also helped the carrier attract more customers because it can better ensure smugglers don't contaminate loads or steal shipments.

Secure Origins is hardly the only company aiming to use technology to secure and speed up cross-border shipments. Powers International tracks trucks via GPS and establishes a chain of custody by verifying the loader and unloader of the truck and content. The patented technology allows shippers to pinpoint who is to blame if there are problems and lowers their insurance costs, Powers International Chairman Jim Giermanski said. Shippers also see faster cargo processing, since Customs agents know that the goods are subject to a higher level of security. The technology is currently licensed to Department of Defense contractor Global Track, but Giermanski is working to get more commercial shippers involved.

"Essentially, it takes a trailer or container and makes it like a certified and registered letter handled by the U.S. Postal Service," he said.

Though technology platforms may be available to better secure and speed up cross-border shipments, the big question is whether U.S. Customs will get on board. Don't be surprised if the agency gets an added push, as technology providers increasingly take their case to members of Congress.

Contact Mark Szakonyi at mszakonyi@joc.com and follow him on Twitter: @szakonyi_joc.

Copyright © by The Journal Of Commerce. All rights reserved. No part of this document or the related files may be reproduced or transmitted in any form, by any means (electronic, photocopying, recording, or otherwise) without the prior written permission of the publisher.