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“WHAT CONGRESS NEEDS TO KNOW ABOUT RFID”

Today’s RFID Landscape. RFID solutions are steadily growing in government and commercial supply chains to improve the management and security of shipments, whether domestically or across international borders. The U.S. Department of Defense (DoD), having deployed active RFID to track and manage more than one million shipments the past decade, now is requiring all service branches and their 42,000 suppliers to use passive or active RFID. NATO and Allied countries also are implementing RFID-based networks that can interoperate with the DoD’s In-Transit Visibility (ITV) network for combined logistics operations.

The U.S. Department of Homeland Security (eg., Operation Safe Commerce), U.S. Trade and Development Agency, Asia-Pacific Economic Cooperative, European Union and World Customs Organization all have supported ongoing projects to capitalize on RFID’s benefits to improve the security and efficiency of 20 million containers transported globally each year, including nine million shipped into the U.S. An industry-driven initiative called Smart and Secure Tradelanes, in which Savi is a key solution provider, has installed RFID-linked networks at about 20 major ports worldwide, and tracked the security status of 2,000 containers tagged with RFID devices.

U.S. Customs and Border Protection Commissioner Robert Bonner has encouraged “trusted partners” to use RFID-related sensors to get automatic “green lane” clearance through the Customs Trade Partnership Against Terrorism (C-TPAT) program. The Federal Drug Administration has issued guidelines to use RFID for authenticating “the pedigree” of medications imported into the United States, and the U.S. Department of Transportation has funded RFID-related programs to see how RFID can improve the visibility of shipments, such as hazardous and other dangerous materials. Wal-Mart, Target, Home Depot and other major retailers are also mandating use of RFID for their suppliers, and many commercial enterprises are focusing on how RFID can add more value in their own supply chains.

Why We Should Care Even More About RFID. Studies ranging from the U.S. General Accounting Office, Stanford University, A.T. Kearney, BearingPoint and others have validated RFID’s range of supply chain benefits. By automating tracking processes and providing real-time alerts on key events (eg., security breaches), RFID can improve both security and operational efficiency. When integrated within a network and software system, the value of RFID-generated information rises. Results have found that RFID-enabled security solutions more than pay for themselves in numerous investment returns that cut costs and enhance performance.

With the exception of the U.S. military, the application of RFID and realization of its multiple benefits in domestic and interdependent global supply chains falls far short of its potential. Government supported projects for cargo security are small in scale, receive minimal funding and are slow to implement. Further, despite several promising program results, clear guidelines or mandates from government on the use of RFID to improve cargo security have not emerged. Government pilots continue without resulting calls for action, despite proven results. This is at a time of continued concerns about a Weapon of Mass Destruction being shipped into the United States, and causing not only life-losing destruction but costly economic disruption.

It’s also critical that policy makers support established international standards bodies, such as ISO, to ensure that international technology, application and frequency standards are adhered to across the street and across global borders. Global standards are especially important to ensure seamless visibility of shipments across different transportation modes and border checkpoints.