

Business As Unusual

The federal government is using RFID in ways that will impact your business.

Oct. 1, 2007—The U.S. government has been trying to tighten port and border security without creating undue delays that hurt free trade and damage the economy. RFID is a growing part of monitoring the flow of cargo and people, including port employees and truck drivers. Regardless of how you may be using RFID in your supply chain, if you move products or people through U.S. ports or borders, you need to understand how the federal government's use of the technology will impact your business.

First, let's look at cargo. The U.S. Congress wants more containers inspected at ports to help prevent terrorists from sneaking weapons of mass destruction into the country as cargo, and it is allocating millions on port security grants. It is considering mandating the use of RFID e-seals on cargo containers, which could prevent tampering and allow customs agents to track their location. Several U.S. ports—including Charleston, Norfolk, Oakland and Savannah—are deploying RFID systems to increase the speed of moving containers from ship to truck, a collaborative effort of industry with local, state and federal governments.

The federal government could mandate that a specific RFID technology be used at ports, so there are several issues you need to consider: Will it conflict with your current supply-chain solution? Who will pay for the RFID technology? Does your RFID vendor have SAFETY Act certification, and will it protect you from legal risk (see [Is Your Company At Risk?](#))?

The United States and the European Union recently signed an agreement to collaborate on policies governing the use of RFID, including the development of interoperability standards at ports, airports and borders. Will these RFID solutions streamline your transatlantic business operations—or cripple your current global competitiveness?

Your employees will also be affected by new government RFID mandates, because they will have to carry RFID ID cards—and these cards could require mandatory background checks, a process some truck drivers and port workers are wary of. All citizens of the United States, Canada and Mexico will need a passport or Western Hemisphere Travel Initiative (WHTI) card to enter or leave the United States. The WHTI card will have an RFID Gen 2 tag; to address privacy concerns, it will come in a protective sleeve, and the RFID chip will contain and transmit only a unique ID number that links to a database with information about the cardholder.

RELATED_ARTICLES Port employees will carry a different RFID ID card, under the Transportation Worker Identification Credential (TWIC) program. How personal information will be used in the TWIC program has not been finalized.

While the government tries to balance the need for speed and security with the interests of protecting privacy, is it addressing your needs? There is still time to comment on these RFID initiatives and, perhaps, offer alternative technology solutions.

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