

SUBMITTED FOR INCLUSION IN HEARING RECORD

TESTIMONY OF

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REGARDING

Grand Theft Cargo:
Examining a Costly Threat to Consumers and the U.S. Supply Chain

BEFORE

The Senate Committee on Commerce, Science, & Transportation
Subcommittee on Surface Transportation, Freight, Pipelines, and Safety

FEBRUARY 27, 2025

On behalf of the Intermodal Association of North America (IANA), thank you Subcommittee Chair Young, Ranking Member Peters, and Subcommittee Members for convening this hearing to discuss cargo theft and its wide-ranging impacts on safety, workforce retention, and the national economy. This hearing occurs at a critical time, as 2024 marked a record high level of cargo theft in the United States, topping 2023's record-breaking number.¹

The impact of cargo theft is felt deeply by all of IANA's diverse membership. In recognition of the growing problem, the Association's Intermodal Safety Committee was re-focused and renamed to include Security in its title and established the "Intermodal Cargo Theft Working Group" which will focus our freight supply chain members on the critical issues of cyber-security and cargo theft, as well as related safety issues. As the only transportation trade association that represents the combined interests of intermodal freight providers and customers, IANA represents more than 1,000 corporate members, including railroads, ocean carriers, ports, intermodal truckers and over-the-road highway carriers, intermodal marketing and logistic companies, and suppliers to the industry. IANA's associate (non-voting) members include shippers (defined as the beneficial owners of the freight to be shipped), academic institutions, government entities, and non-profit trade associations.

According to CargoNet's annual analysis, reported cargo theft incidents rose 27 percent between 2023 and 2024 across the United States and Canada.² It is important to note this estimate represents *reported* theft, as the occurrence is not always reported for a host of reasons, including reputational brand management, tedious paperwork, and the low cargo recovery rate. Knowledge that cargo theft is widely underreported leads to a wide range of loss estimates, typically between \$15 and \$30 billion annually according to the Federal Bureau of Investigation (F.B.I.).

While cargo theft is not a new concept, thieves have become far more sophisticated. On top of maintaining their day-to-day business operations, supply chain participants must be vigilant to protect against organized crime rings, cyber threats, and fraud. New tactics are emerging constantly.

While the economic cost is substantial and impacts all Americans, truck drivers, train engineers, and warehouse workers face increased safety risks as the incident rate continues climbing. This threat acts as a disincentive to those considering a career in goods movement, which is particularly troubling at a time when the industry is struggling to fill open positions. The trucking industry alone will need to hire an estimated 1 million new drivers over the next decade to replace retiring drivers, those leaving the industry for other reasons, and to meet

¹ "Cargo Theft Surges to Record Levels in 2024, CargoNet Analysis Reveals," CargoNet, January 21, 2025, <<https://www.cargonet.com/news-and-events/cargonet-in-the-media/2024-theft-trends/>>

² Ibid.

anticipated freight demands.³

The intermodal industry is steadfast in its commitment to deter cargo theft and has voluntarily adopted several practices and technologies to discourage criminals. Intermodal containers are frequently equipped with global positioning systems (GPS) or radio-frequency identification (RFID) tags that provide location tracking. Containers can also be equipped with advanced locks and door sensors that detect unauthorized openings and alert shippers. Shippers take steps to organize containers such that high-value goods are more difficult to access. The list goes on.

While industry can deter criminals, it is law enforcement's responsibility to identify them and apply the necessary penalty. The intermodal industry is eager to work with the appropriate investigative and enforcement agencies to reverse this dangerous trend.

Again, IANA appreciates this Committee's leadership in bringing together law enforcement and industry to discuss solutions to this growing problem. It is likely that theft, fraud, and cyber-security attacks aimed at freight transportation will require a host of solutions, and we applaud Congress for its dedication to identifying bipartisan approaches, such as the Household Goods Shipping Consumer Protection Act (S. 337 and H.R. 880). One of the most critical issues driving exponential increases in cargo theft is the inability today to prosecute cargo theft criminals because there are so few laws and authority to do so, hence IANA's support for the proposal, which is led by Senator Fischer, Senator Duckworth, Congresswoman Norton, and Congressman Ezell. It is our hope that IANA can be a resource as Congress continues identifying solutions to this growing problem.

Thank you for your time and your leadership in support of intermodal goods movement and its related issues. IANA looks forward to working with you and would welcome the opportunity to further engage with your offices. If you or your staff have any questions, please do not hesitate to contact me at areinke@intermodal.org or 301-982-3400.

³ "Driver Shortage Update 2021," American Trucking Associations, October 25, 2021, <https://www.trucking.org/sites/default/files/2021-10/ATA%20Driver%20Shortage%20Report%202021%20Executive%20Summary.FINAL_.pdf>