

TR2 Terror Response Technology Report

Business Opportunities for Critical Infrastructure Protection

January 25, 2006

www.defensedaily.com

Vol. 2, No. 2

Briefing

► **General Electric [GE]** scored big in a winner-take-all contract for walk through trace portals. TSA says in the Jan. 20 Fedbizopps that it has selected GE for a three-year, \$326.5 million contract for 390 EntryScan units, which will be begin to be deployed at some of the nation's airports beginning this quarter. The initial award covers 147 units. No word on the value of the initial award. GE beat Smiths Detection for the contract. Up until now TSA has purchased 31 Sentinel II trace portals from Smiths and 30 EntryScan units from GE.

► **GE**, which has developed the CommerceGuard container security device to monitor unauthorized intrusions of a container while also tracking them as they move through port infrastructure, has signed an agreement with Siemens [SI] giving the German firm exclusive marketing and distribution rights in Europe for CommerceGuard. Under the agreement Siemens has acquired a minority stake in CommerceGuard AB, a subsidiary of GE's Security business, with an option to increase the stake later in the year. "CommerceGuard is a truly international effort and Europe is a strategically important geography for our global container security solution," says Louis Parker, president and CEO of GE Security.

Viisage Deal For Identix Lauded

Viisage Corp.'s [VISG] pending merger with **Identix [IDNX]**, a \$770 million stock-for-stock deal that also includes key management changes at the combined company, is largely being well received for the excitement it's bringing to the biometrics and identity solutions industry, according to industry officials and analysts.

"This is a wonderful validation that the industry is headed for prime time," Jim Miller, chairman and CEO of **ImageWare Systems, Inc. [IW]**, a provider of open architecture software solutions for biometric systems, tells *TR2*.

The merger "will raise the profile" of the industry, says Bob LaPenta, chairman of Viisage. Once the merger is complete, which is expected by June, LaPenta will also become the new company's CEO.

Viisage is best known for its secure credentials such as drivers' licenses and passports and document authentication capabilities. Merging with Identix gives it key technologies and customers in fingerprint capture, biometric software engines and facial recognition, an area that Viisage also has some capability.

"The merger will combine Identix's industry-leading fingerprint recognition, face recognition and knowledge discovery technology with Viisage's solutions-based business," says Stephens Inc. analyst Tim Quillen.

The biometrics market for now is largely centered on fingerprint technologies and capabilities. Fingerprinting represents about 70 percent of the market space, says LaPenta. "Fingerprinting will command the majority of that space for the foreseeable future," LaPenta tells

► *continued on p.4*

Inside

Port Security	2
Q&A: U.S. Genomics	2
Contracts	7

USGN Introduces Area Security System

US Global Nanospace [USGA], which last month unveiled a new wide-area perimeter security and defense system for border and critical infrastructure protection, has been invited by a Middle Eastern country to demonstrate the system.

The unidentified country is a member of the Gulf Cooperation Council, which includes Bahrain, Kuwait, Qatar, Oman, Saudi Arabia and the United Arab Emirates. USGN says it is making arrangements to deliver the components of MAPSANDS, which stands for Modular Autonomous Perimeter Security and Non-Lethal Defense System, to the country.

"We have fulfilled an important milestone for the company in receiving and accepting an invitation from a sovereign government to demonstrate MAPSANDS," says Carl Gruenler, USGN's CEO. USGN is based in Carson City, Nev.

Gruenler tells *TR2* that in the near-term the Middle East represents the best opportunity for interest and sales of MAPSANDS.

"There's an urgency here," he says. Specifically, he believes potential custom-

► *continued on p.5*

Still, Atick says that biometric companies are beginning to take more prime contracting roles because the “customer wants to talk to the knowledge people in the space.”

MJSK’s Meier believes Viisage is trying to put itself—through its drive to be an end-to-end biometrics and identity solutions provider—into a position where it can take on more prime contracting roles, especially visible ones like an upcoming procurement for standardized credentials across the federal bureaucracy.

At some point, Meier tells *TR2* that the large systems

integrators such as Lockheed Martin will move to protect their roles, even if it means lobbying Congress to ensure large programs are tailored to their capabilities.

LaPenta believes the new company will be profitable beginning the second half of 2006. While market forecasts peg annual growth in the biometrics industry at around 40 percent, LaPenta says he is being conservative in advertising between 20 and 25 percent annual organic growth for Viisage in order to make sure the company meets its targets for Wall Street.

► USGN [cont’d from page 1]

ers are most interested in the system for protection of their oil infrastructure and for border security.

MAPSANDS is made up of various subsystems for monitoring, detection, identification and defense. The system, which is customizable depending on customer requirements, has radar for potential 360 degree coverage out to 10 kilometers to provide monitoring, detection and targeting. It also can be equipped with video cameras that have a range of six kilometers. For border applications radar would be set up in strategic locations to provide overlapping coverage with smaller radar put in blind spots to complete coverage. The company says the MAPSANDS architecture is designed to secure perimeters ranging from less than a mile long to several hundred miles.

For the “warn and deter” capability, MAPSANDS automatically delivers verbal warnings out to 1,500 meters for potential threat subjects that cross a certain threshold. If a subject continues toward the border or facility, the warnings intensify. At 300 meters acoustic devices sound off, producing deafening, and if need be, debilitating, tones to thwart potential attacks or illegal border crossings. MAPSANDS can also be equipped with lethal defenses such as automatic guns contained in hermetically sealed poles.

In addition to the acoustic devices, other non-lethal countermeasures include rubber bullets, flash bang, tear gas

and malodorants.

MAPSANDS can be powered by solar or wind-powered remote substations and features wireless encrypted communications.

“We see MAPSANDS attached to a manned command and control center but it doesn’t need a man in the loop,” says Gruenler. There are potential users who want an autonomous system, he says.

The company has tested the system in a surveillance mode, demonstrating its ability to work autonomously, says Gruenler. MAPSANDS was originally designed to be a fixed system but USGN has also developed a mobile version.

USGN, along with its partners, has developed the software for MAPSANDS and will integrate the system. The company buys the various subsystems off-the-shelf.

In the U.S. the Secure Border Initiative, which has subsumed the America’s Shield Initiative (ASI), potentially offers USGN a market opportunity, Gruenler says. A year ago, when ASI was first expected to be going out for bids, MAPSANDS wasn’t ready, he says. Still, the greatest interest remains the international market, he says.

“Until today, perimeter protection really meant perimeter breach notification and dispatching a response team,” Gruenler says. “MAPSANDS is designed to automatically protect and defend high-value remote installations with our without human intervention, eliminating the issues of inadequate manpower or misplaced loyalty that have plagued existing wide area security endeavors.”

 Critical Incident Response & Emergency Management
a marcusevans event

Maximize Capabilities to Prepare for and Manage All Hazards Through Rapid Response and Interoperability
March 6-8, 2006 | Washington, DC

“Assess planning processes and LOGISTICAL CHALLENGES of co-operative interagency crisis management.”

 **Preparing for tomorrow's critical incidents and emergencies, today.**

Featured Speakers:

- Lieutenant General Carl Strock, **US Army**
- Colonel Michael Campbell, **US Marine Corps**
- Charles E. Allen, **Department of Homeland Security**
- Connie Patrick, **Department of Homeland Security**
- Jack McGuire, **American Red Cross**

 **defense**

E: defense@marcusevansbb.com
T: 246 417 5391
W: www.marcusevansbb.com/cirem