

**Tag revenue projections hit \$2.8 billion; Precision Systems updates RTLS; Feig readers allow transatlantic integration; alliance, distribution agreements announced.**

Jan. 14, 2005—The following are news announcements made during the week of Jan. 10.

**Tag Revenue Projections Hit \$2.8 Billion**

A new report from the market research firm [In-Stat](#), based in Scottsdale, Ariz., predicts that worldwide revenues from radio frequency identification (RFID) tags will jump from \$300 million in 2004 to \$2.8 billion in 2009. It says pallet and case-level tagging will account for the largest portion of RFID tag and label sales, followed by the item-level tagging of consumer packaged goods during the years closer to 2009. The report looks at privacy concerns; tag/label manufacturing methods; and potential semiconductor revenue from tags. It also provides a forecast of the numbers of tags to be produced. RFID applications are broken into the follow segments: livestock, domestic pets, humans, cartons/supply chain uses, pharmaceuticals, large freight containers, package tracking, consumer products, security/banking/purchasing/access control, and other. The report predicts revenue tag/label application service providers for each of these segments. The 33-page report is available for \$2,995 from the In-Stat Web site, [www.instat.com](http://www.instat.com).

**Precision Systems Updates RTLS**

[Precision Systems](#), maker of a real-time location system (RTLS) that uses a combination of RF signals to communicate with active tags and cameras to locate them to within one foot,, has released version 2 of its iLocate RTLS solution. It uses RFID readers to provide a general location for assets, from 3 to 300 meters, depending on the reader configuration. It determines more exact location by using tags with blinking lights set to flash at predetermined intervals (every third second, for example). At the same time that a tag flashes, a camera takes its photo and then correlates the flashing tag with data linked to the time of its scheduled flash. The iLocate software then analyzes the image to determine the tag's location. The new system will replace iLocate version 1 (see [Lost-Cost Optical Locating System](#)). Version 2 features updates to the active tags, including a two-way synchronous data air protocol to perform read-and-write operations and store data on the tags. The two-way synchronous data air protocol transmits data at 19.2 kilobits per second over the 433 MHz band in Europe and 915 MHz in North America. The two-way data synch is probably a biggest update, so I've revised to reflect that. For applications where a high accuracy of location is not critical, Precision Systems is also offering a scaled down version of iLocate that does not include the optical readers. The iLocate systems are available now, but pricing was not released.

**Feig Readers Allow Transatlantic Integration**

[Feig Electronic](#), German provider of RFID products, has released the OBID i-scan UHF reader in European and US versions with compatible interfaces and functions. This allows global systems integrators to link the readers through compatible reader settings without having to adapt the reader installation and the arrangement of application interfaces when using readers both in the U.S., which operates under FCC regulations, and European Union countries, which operate under EC regulations.

The European reader operates between the 865.6 to 867.6 MHz frequency bands, while the U.S. reader operates at 915 MHz. The European version, which complies with the EN (European Norm) 302208 standard, has the “listen before talk” function. It can recognize other transmitters on each of its defined 15 channels and will automatically locate an optimal transmitting and sending channel for the reader. The U.S. version of the reader spreads equal power to the 50 available channels and hops from channel to channel for optimal performance. The U.S. version reader hardware will support the EPC Gen 2 protocols and its software is upgradeable to Gen 2.

### **Alliance, Distribution Agreements Announced**

[HighJump Software](#), an Eden Prairie, Minn.-based provider of RFID-enabled supply chain execution solutions, and professional services firm [Deloitte Consulting](#), announced this week a strategic alliance to offer comprehensive supply chain execution solutions. The alliance will leverage Deloitte’s industry experience in vertical markets and HighJump’s supply chain execution products for warehouse, yard and transportation management, as well as manufacturing execution, automated data collection and collaboration solutions. Also announced this week was a distribution agreement between Morgan Hill, Calif.-based [Alien Technology](#) and Greenville, S.C.-based [ScanSource](#) for distribution of Alien RFID reader and tag products, as well as applications and operational support services in the North American market. Under the agreement, ScanSource will serve as a distributor of Alien RFID product and service offerings, and the two companies will collaborate on joint marketing activities directed to resellers.

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