

Alien Buys Airport Systems Integrator

RFID tag and reader maker Alien Technology has acquired Quatrotec, a provider of systems and integration services to the air transportation industry.

By Claire Swedberg

May 25, 2005—RFID product manufacturer Alien Technology has announced its acquisition of Quatrotec, a privately held company that installs and integrates systems at airports. Quatrotec, which will operate as a wholly owned subsidiary, possesses design and implementation expertise in such areas as airport security systems, baggage-handling systems, passenger services and terminal operations. Thanks to its acquisition, which was completed on May 23 for an undisclosed price, Alien will now be positioned to provide specialized design and implementation services for RFID baggage-screening systems at airport terminals, as well as the EPC-compliant Class 1 baggage tags and readers.

"Quatrotec has experience worldwide," says Robert J. McKinley, Alien's vice president of business development for transportation markets. "They are a good-sized company with a good reputation." Quatrotec has been providing airport systems and technology integration for the past 20 years to approximately 40 airports worldwide.

McKinley has personal experience working with Quatrotec, which is based in San Francisco. He served as the director of security and airport systems at San Francisco International Airport five years ago, when the airport opened its new international terminal. While McKinley served in his previous position, Quatrotec provided services that included integration, construction management and project coordination in the installation of the new terminal's 2.45 GHz RFID baggage identification and tracking system. The RFID system is part of the airport's larger baggage-screening system, which includes running baggage through an explosives-detection system (EDS) that x-rays bags and identifies any weapons or explosives before the baggage enters the airplane cargo area.

Alien Technology provided the tags and 10 readers for that project. A total of 60,000 bags per day are screened by the airport's \$1 million explosives-detection devices. The RFID component of that system tracks the baggage from check-in through to airplane-loading via RFID tags and readers.

After Sept. 11, McKinley says, "there were different screening requirements that [necessitated] different solutions in most terminals." That included the installation of an EDS that was not a part of the existing RFID tracking.

Quatrotec is now working with Alien to install a new UHF RFID baggage-tracking system at the San Francisco airport to replace the five-year-old outdated and more expensive system, and to integrate it with the new EDS. The UHF RFID deployment is the kind of project, McKinley predicts, that will be taking place in airports across the country. McKinley points out that Quatrotec and Alien have "an understanding of all the opportunities that exist at airports," and can provide technology solutions for their security demands. He adds, "As baggage systems are starting to utilize RFID, we see a need to [include and integrate] the other components." Those other components include everything other than RFID hardware, such as the systems

integration, that regular RFID vendors don't provide.

About 10 to 20 percent of Quatrotec's business is related to RFID. "The rest is airport-system related," McKinley says. Airport systems include CCTV, access control, perimeter security, baggage-handling system interfaces, screening-system integration and command and control systems. The percentage of Quatrotec's business that involves RFID, he adds, reflects the percentage of RFID technology deployed in the baggage-screening industry as a whole. "When you look at aviation baggage-screening," he says, "the amount of RFID is relatively small."

The airport market for RFID, however, is growing, according to Natick, Mass.-based technology market research firm Venture Development Corp. (VDC), which predicts that the market for RFID systems for air transportation and airports will reach \$236.4 million in 2008.

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