Federal Agencies Ready to Deploy RFID

Technology services provider Subsystem Technologies expects many government RFID pilots to shift to full implementation during the 2006 fiscal year.

By Jonathan Collins

Oct. 3, 2005—U.S. government agencies are on the brink of expanding a number of current RFID pilots, according to one company involved in several ongoing technology trials. "The federal government is poised to take many projects in the pilot-and-study phase into full-blown deployment," says Sam Malhotra, CEO at Subsystem Technologies, a Rosslyn, Va., a company specializing in providing technology services to U.S. government agencies.

According to Malhotra, the only hurdle yet to be cleared is funding. U.S. federal agencies, especially the Department of Defense, he explains, are positioned to place several task orders in the first quarter of the 2006 fiscal year, which starts Oct. 1. "Everything waits for funding approval, but the U.S. government is the biggest buyer of technology in the world," he says. "Now the agencies are evaluating what it means for RFID to take over legacy asset-tracking systems, but when they are done, the floodgates are going to open."

Many of the government's current asset-management systems are very labor-intensive. A number of them depend on labels with bar codes or human-readable serial numbers. Government agencies are interested in having more automated RFID-based systems put into place to track assets and automate other labor-intensive tasks. For example, many government agencies still manually sort the packages they receive. RFID systems could help them route these packages to their intended destinations more efficiently.

Subsystems is convinced that government RFID contracts will play a major role in its future and that government agencies are all set for RFID use, particularly for asset tracking. "By law, every agency has to account for assets and report to Congress. We know all of these systems will go to RFID," says Malhotra.

The company reports that one of its RFID projects has already been cleared for implementation. In the spring of next year, its passive RFID system for tracking non-lethal equipment used by U.S. Special Forces operating overseas will go into full deployment. "We have written the software for it, and it will enter full testing at the end of October," says Tim Kreps, Subsystems' director of RFID systems, "but the budget is in place for full deployment."

Subsystems has also designed, developed and implemented an emergency personnel accountability system (EPAS) for the law-enforcement branch of the U.S. Navy's Space and Naval Warfare (SPAWAR) Systems Center Charleston in South Carolina. The EPAS system uses middleware with a common interface for readers of three different types of cards: those with 315 MHz active tags, UHF passive tags or UHF semi-active (Class III) tags. Tested on a single-story building with two doors—exterior and interior—at each entrance, the system recognizes whether personnel are entering or leaving the building by the sequence of card reads as people pass through the double doorway. The system can be monitored from a single screen by security personnel, and provides a real-time list of personnel currently within the area of the building covered.

Carrying out case studies involving new and emerging technologies is one of the many functions SPAWAR performs for the DOD. After completing a study, SPAWAR can then certify that the technology can be brought into the DOD.

Once it completes the EPAS pilot, SPAWAR will take its findings and recommend solutions to different government agencies. Those agencies interested in such a system would then go through the normal acquisition process to allow contractors to bid on the work needed to implement it. Subsystems believes it will be a strong contender for any following deployments.

"Subsystem Technologies has the advantage that, since it was chosen by SPAWAR to be the technical lead on the case study, government agencies wishing to deploy an EPAS will closely look at us as the solution provider for their specific implementation," explains Malhotra.

With so much potential for U.S. government spending on RFID, Subsystems believes a major part of its revenue will come from deploying the technology. The 20-year-old company expects to report revenues of around $21 million for the fiscal year ending this month, and around $30 million for its fiscal year in 2006. "RFID will account for a quarter of that growth," says Malhotra.

Subsystems expects some of the revenue growth to come from its partnership with BearingPoint. BearingPoint was recently named among 17 companies awarded Blanket Purchase Agreements (BPAs) by the U.S. Department of Defense's Information Technology, E-Commerce and Commercial Contracting Center (ITEC4) to enable them to compete for contracts to provide the U.S. military with RFID technical engineering services (see DOD Awards 17 BPAs for RFID Services).

Subsystems will provide engineering and technical work for BearingPoint's passive RFID projects for the DOD, although BearingPoint also intends to work with RFID systems integrator RFID Global Solution. "We were going to bid on our own, but BearingPoint asked us to work with them and we agreed," says Kreps. "Global Solutions has experience in the consumer world and that is going to help too, but we have the experience and actual RFID work done [for the U.S. government]."