

Printer-Encoder Order Represents New DOD Milestone

Lowry Computer's \$8.7 million contract for 1,804 EPC Gen 2 RFID printer-encoders will enable defense distribution depots to extend RFID use further down the supply chain.

By Beth Bacheldor

March 11, 2008—The U.S. Department of Defense (DOD) continues to make strides in its deployment of EPC Gen 2 RFID technology to track hundreds of thousands of shipments covering a wide variety of assets, from weapons to rations. Late last month, the department awarded a multiyear, multimillion-dollar contract for RFID equipment and installation services to Lowry Computer Products, a Brighton, Mich., maker and systems integrator of EPC RFID products and solutions.

Specifically, the \$8.7 million, five-year contract was handed down by the DOD's Defense Logistic Agency's (DLA) Defense Distribution Center (DDC), which is the Defense Department's combat-support agency and the DLA's lead center for distribution. The DDC operates 26 distribution depots worldwide and is responsible for the receipt, storage, issue, packing, preservation and transportation of more than 4 million items.

Under the terms of the agreement, Lowry Computer is supplying the DDC with thermal-transfer tag and label RFID printer-encoders from Irvine, Calif.-based Printronic, as well as providing training and warranty coverage. By the end of April, says Steve Lowry, Lowry Computer's executive VP, the company expects to have shipped 1,804 of the RFID printer-encoders, which work with EPC Gen 2 passive tags, to 21 locations around the world. "We have shipped most of the units," Lowry says. "The installation started in January, and will be completed in April. Everything has gone exceedingly well."

On its own, the contract may not seem significant. The DOD, after all, has awarded several large-scale contracts to various RFID providers. In early February, Savi Technology announced that the department had extended the time and increased the value of its Radio Frequency Identification (RFID) II contract. The contract has been extended to Jan. 31, 2009, and its ceiling increased by about \$60 million—to \$483 million—for Savi's active 433 MHz RFID products and services. What's more, the Defense Department has been phasing in the use of passive ultrahigh-frequency (UHF) RFID tags since 2004, when it first began laying the foundation of EPC RFID infrastructure so it could start receiving tagged pallets and cases from suppliers, as part of its RFID requirements that took effect in January 2005.

Early on, the DOD tested passive RFID technology at the Norfolk Ocean Terminal, a facility that provides waterfront logistics support (see The DOD Begins RFID Rollout). Among the bigger RFID contracts was one awarded to ODIN technologies in May 2006, to equip the 26 DDC distribution depots with passive RFID interrogators and other supporting equipment (see DOD Grants ODIN \$14.6 Million Contract).

The purchase order for the printer-encoders signals an important milestone in the Defense Department's adoption of EPC RFID technology, Lowry says. "The DOD has enabled the warehouses to read RFID labels, so this is another phase—being able to print RFID labels at the warehouse," he states.

That, he says, is what makes this contract so significant. Typically, when RFID-tagged pallets are received, they are broken down and the goods are placed on other pallets to fulfill orders. Not only will the distribution centers be able to receive RFID-tagged pallets, they'll be able to retag pallets before sending them off to their final destinations.

RELATED_ARTICLES "The DDCs are the DOD's warehouses where cross-docking and consolidation is done," Lowry says. "So after employees pick the orders [from received pallets] and put the cases of goods onto new pallets, the cases and pallets will all have RFID labels attached to them before shipping out."

The contract specifies the SL4M RFID printer-encoders from Printronix's SmartLine RFID family. The SL4M RFID printer is designed for 4-inch industrial and commercial labels. Each label created by the printer-encoders, he says, will also have bar codes on it. According to Lowry, the printer-encoders meet the ANSI Class C standard, which pertains to the quality of bar codes printed.

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