

**Statement**

**Of**

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**Before the**

**House Committee on Homeland Security's**

**Subcommittee on Transportation**

**Concerning**

**TSA Procurement: Exploring Innovation in Technology Procurement to Stimulate Job Growth, Part II**

**October 13, 2011**

Chairman Rogers, Ranking Member Jackson Lee, and Members of the Subcommittee:

Thank you for holding today's hearing on TSA procurement and how TSA's technology procurement can stimulate economic growth. My name is Scott Boylan and I am Vice President and General Counsel of MorphoTrust USA Inc., a subsidiary of the Safran Group, the largest biometrics company in the world. I was most recently the Vice President and General Counsel of Morpho Detection, Inc. ("MDI"), the second of three Morpho security companies that provide security technologies related to detection and/or identification to TSA, the Department of Homeland Security ("DHS") and US governments more broadly.

MorphoTrust has more than 1000 employees in the US and is headquartered in Massachusetts. We offer a comprehensive set of products and solutions for protecting and securing personal identities and assets - leveraging the industry's most advanced multi-modal biometric platform for finger, face and iris recognition, document authentication, secure driver's licenses and identification cards, and passports. MorphoTrust is a global leader in providing Secure Identity Management solutions across government and commercial markets.

MDI has more than 560 US-based employees with factories in California and Massachusetts. We are a leading supplier of explosives and narcotics detection technology world-wide. Our technologies support government, military, transportation, first responder, critical infrastructure and other high-risk organizations. We integrate computed tomography (CT), Raman Spectroscopy, trace (ITMS technology), X-ray and X-ray Diffraction (XRD) technologies into solutions that deliver detection results quickly with a high degree of accuracy, while ensuring efficient security operations. MDI has been a supplier to TSA since its creation.

MorphoTrak has more than 541 employees in the US with major facilities in New York, California and Washington State. We provide biometric and identity management solutions to a broad array of markets in the U.S. including law enforcement, border control, identity cards, civil identification, and facility/IT security. We are a leading innovator in large fingerprint. MorphoTrak has provided biometric identification solutions in the US for over 35 years and provides statewide biometric identification systems in 28 states plus the District of Columbia. Our products are used by more than 300 city, county, and state government agencies across the United States.

#### **Industry Government Partnership: Advisory Committees**

A continuous challenge doing business with TSA is the lack of visibility into its future acquisition plans. The Chairman has recognized that this is a challenge for industry and has encouraged TSA in previous

hearings to be more open and communicative with private sector partners. We believe that a formal mechanism, such as an advisory panel consisting of industry and technology stakeholders, would be an excellent vehicle for exchanging information for both industry and TSA. TSA should set goals for industry and work with industry to create high, interoperable standards.

Having visibility into future TSA procurement plans gives key guidance to industry in making employment, manufacturing and inventory decisions. TSA would also benefit by reduced costs associated with its technology suppliers being able to more efficiently purchase inputs for their products with better planning and more efficient procurement of parts. Transparency will also allow for stabilization of manufacturing operations and avoid employment disruptions that many in the industry have seen.

The Morpho companies spend millions on research and development of security technologies. This effort can be more efficiently targeted when TSA's future plans, strategy and vision are known. For example, a Morpho company recently was awarded a TSA contract for traveler document authentication. We were willing to dedicate significant resources and investments to develop this technology for TSA, without a guaranteed return, because when TSA issued requirements we then knew what TSA wanted. This is the scenario we need to recreate going forward. We believe that this will become the standard practice as TSA continues to improve and invest in its procurement system.

### **Phased Acquisitions**

TSA should use phased acquisitions when moving into new and developing technology areas. Initial procurements should focus on basic requirements and follow-up procurements should push for increased performance and options. An example of this is EDS standards that started with a high threshold and have continually gotten more difficult to achieve in subsequent procurements. This has allowed for the initial broad deployment of baggage screening equipment immediately after 9-11 and contributed to a constant improvement in detection capabilities up to today.

### **Advocating for Stronger International Aviation Security Standards = Higher US Jobs and Security**

TSA is in a unique position to influence the security standards used around the globe. Our company provides security technology around the world, much of which is made in the US and shipped overseas. We see in numerous international procurement solicitations that the standard required by airports and governments around the world is the TSA technology standard – especially explosive detection standards. TSA or EU certification is often required before a manufacturer can bid on a contract. We have seen this in many countries with emerging security standards that do not have the resources to conduct their own testing.

We have also witnessed TSA's reluctance to strongly advocate for their superior standards in international markets. A key example is the EU where the Commission has adopted standards for checked baggage screening that would require in the future deployment of computed tomography machines at the first level of screening. This is effectively the system used by TSA in the US today. The EU standards currently permit x-ray technology to scan checked bags, but TSA and the EU have both

recognized that X-ray technology has challenges screening for certain threats that CT technology does not. Despite the regulation change and the recognition of a security concern, there has been strong resistance to deploying CT technology at level one in Europe by European stakeholders who would have to invest in the technology. TSA has largely stayed out of this debate. But this is where they have the opportunity to both increase the level of explosive detection capability in a region that is a key to US aviation security and open a potentially huge market to what is predominately a US industry. Adoption of CT at level one in the EU would create a market for CT in Europe that would be larger than in the US. All of the currently certified CT technology in the world is manufactured in the US.

Once this standard becomes a US and EU standard it will likely become a de facto global standard that increases aviation security around the globe - and jobs and economic activity in the US.

Thank you.

I will be happy to answer any of your questions.