

# Industry update

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# U.S. Aviation Security Industry - Some Statistics



**\$1B**

In R&D investment in last 10 years



**650M**

Passengers screened per year with security technology



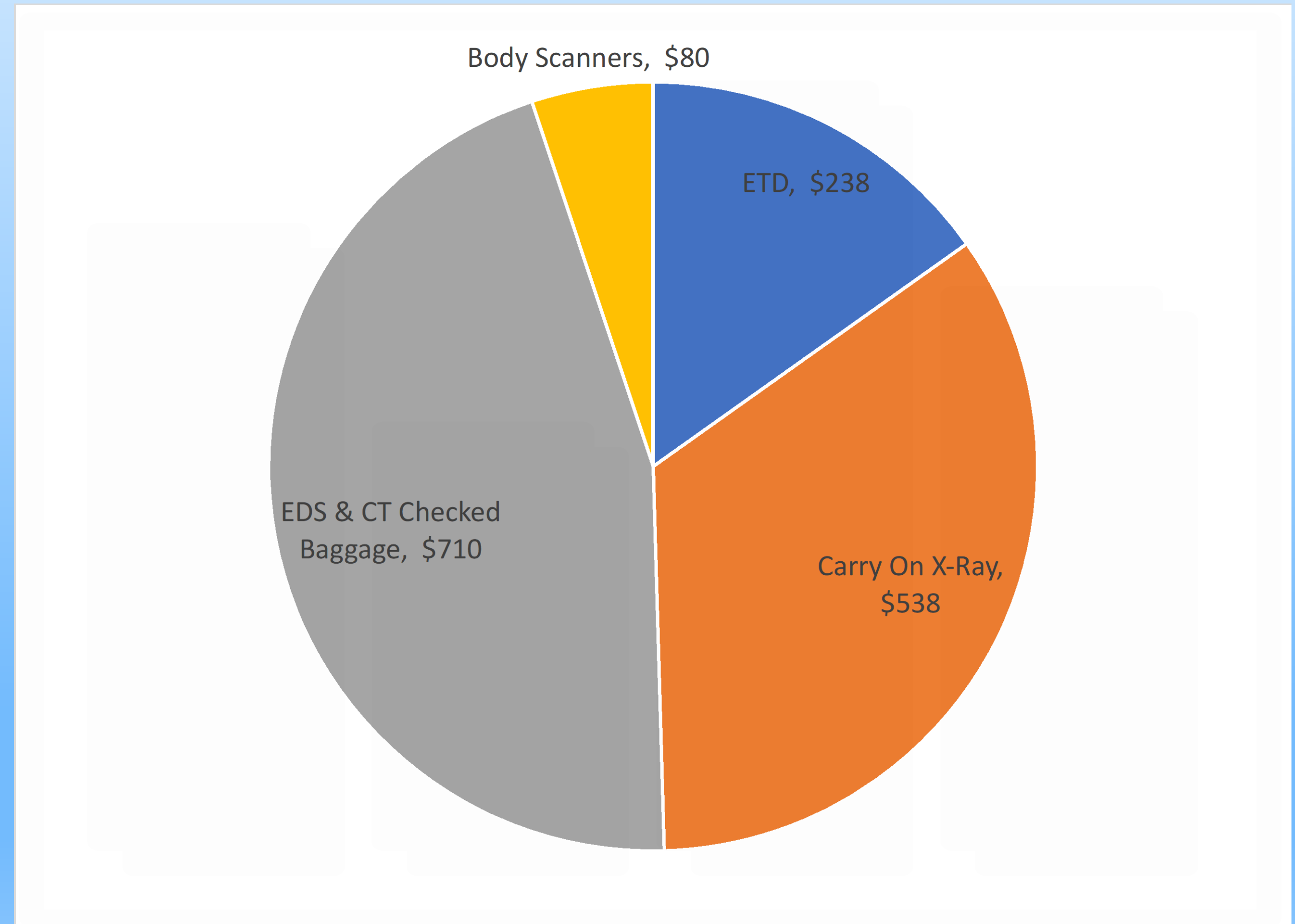
**27,000**

Direct and indirect employees

# Global Aviation Security Hardware Market

- Global market for screening hardware = ~\$1.3B per year
- Estimated growth = ~5% per year
- Asia Pac and Middle East fastest growing markets
- Emerging technologies (e.g. biometrics, checkpoint CT) may grow market or replace other technologies

Global AVSEC Hardware Market 2017 (\$M)



# Industry Stability: limited growth opportunities

## US TSA Approved Vendors by Application, 2012 vs. 2017

	2012	2017
Checkpoint X-Ray	2	2
Checked Baggage	3	2
People Screening	3	2
ETDs	3	2

Mergers and acquisitions: may be sign industry is maturing, organic growth slowing

Activity	
Implant Sciences	Acquired by L-3
Morpho ETD	Sold to OSI Systems
OptoSecurity	Acquired by Vanderlande
Reveal	Acquired by Leidos
Herbert Systems	Acquired by OSI Systems
MacDonald Humphrey	Acquired by L-3

**Is the industry attractive to small, innovative firms?**



# Industry needs framework for engaging with innovative 3<sup>rd</sup> party software companies and other firms



Access Control, Data Protection, Cyber Security

- Comparable to other mission critical networks (e.g. DOD, other DHS agencies)

Accessible Standards

- IT hardware, software and networking system architecture
- Designers' specifications accessible by third parties
  - Officially approved standards

## Framework for Working with 3<sup>rd</sup> Parties

**Certification / authorization**

- 3<sup>rd</sup> parties need SSI access
- Must demonstrate 3<sup>rd</sup> party solutions will
  - Improve security
  - Maintain or improve operational performance

**Industry-wide Support**



# Recommendations from 2017 hold true today



**Thank You!**

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