

# Systems Integration Sector Briefing

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# Companies surveyed for Systems Integration Sector

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- **Northrop Grumman**
- **Raytheon**
- **Lockheed Martin**
- **BAE**
- **Boeing**
- **ICXT**

# Does your organization sell CBRN-related products/systems/services developed for DOD to state and local governments?

- **No – 3**
- **Yes – 1**
  - We want too but have not done so yet other than in a few very small cases. In those cases it has been sensors developed under tech base money that have been taken to the first responder community.
- **Future Plans/Under Consideration - 3**
  - Have future plans to sell products to this market
  - Discussions are in process. No firm decisions have been made.
  - We have plans to penetrate state/local gov't market, but at this point, we do need to address liability issues clearly with our company

# If not, can you comment on why? (1 of 2)

- **Needs are different – products/systems/services don't apply to both markets – 4**
  - Price Sensitivity in S/L market incompatible with militarized products
  - State/Local needs are different from our core competencies
  - Our products, which have been designed to meet mil-specifications - are expensive, both in the up front cost and sustainment support. Typically state and local governments do not have the funding.
  - At this point it's partly needs are a little different and partly sensor immaturity.
- **Distribution/Sales channel challenges – 3**
  - Don't have a distribution channel that can efficiently market and sell small quantities of relatively inexpensive equipment to very distributed customers.
  - Available funding, buying practices and procurement process all contribute to our reluctance to enter state and local markets.

# If not, can you comment on why? (2 of 2)

- **Liability concerns - 3**

- Significant liability could result from false positives that would cause an evacuation of a facility, disruption of cargo distribution, or similar events. Since these are not terrorist events, it is not clear the SAFETY Act provides any protection in these instances.

- **Security/Classification constraints - 1**

- There are some looming security challenges for us. This has historically been a bit of an issue (especially in Biodefense). I don't think DOD has solved the problem globally.

**Do you feel that the SAFETY Act provides sufficient protections to sell CBRNE Defense equipment to non-DOD customers?**

**Nobody indicated SAFETY Act was sufficient to alleviate all concerns. Sample comments:**

- **This is a concern The SAFETY Act only provides protection in the event of a terrorist event. There are additional significant liabilities that are not associated with a terrorist event that our company is concerned about.**
- **No...at least our legal counsel and executive management are still quite hesitant that this is adequate...the feeling seems to be that large DOD primes have deep pockets and so if something happens, we are still pretty fair game.**
- **The SAFETY Act is a good starting point but requires specific application by the customer which can create coverage gaps and difficulty at the onset of an opportunity when SAFETY Act coverage is not initially identified.**
- **No, but it helps**

# Do you have suggestions for any government action that could be taken to encourage sale of DOD technology to the state and local market?

- **Expand SA coverage beyond terrorist events and allow the US Govt to order larger quantities for distribution to the S&L markets**
- **More coordination between DOD, DHS and other agencies including state & local agencies in terms of requirements.**
- **We'd suggest collaboration between DOD and DHS for applicable technology and then ID/IQ acquisition at the DHS level providing a contracting vehicle for state and local governments to rapidly acquire technology. DHS could leverage contingent grants to encourage use of these contracting vehicles to drive standards and improve interoperability. Alternatively, states and local governments can incorporate and leverage Federal Acquisition Regulations and DHS acquisition provisions within their contracts.**
- **DOD is (rightly so) focused on their urgent priorities and adding new requirements to meet state/local market needs would detract from that, and thus, we are generally reticent to bring up any of these needs with our customer.**