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# Tego forms RFID deal with French aircraft maker

By Rodney H. Brown

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The future of radio frequency identification chips — at least for one local company — is up in the air.

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Waltham-based Tego Inc. and its Parisian partner, MAINTag SAS, have won a contract from French commercial aircraft maker Airbus SAS to use Tego’s specialized high-memory RFID in tags that will be placed on every part in the manufacturing of the A350 XWB commercial airliner. For Airbus, the deal gives it the opportunity to track the history of every single part that goes into one of its A350s, from the moment it enters the Airbus manufacturing stream to when it comes out of a plane — ideally due to retirement. But the real test will come if Airbus has to track the history of a part that failed and caused a catastrophe, according to Drew Nathansson, director of research of operations at Natick-based VDC Research.

“If Airbus is building airplanes and something goes wrong with a part, they need to be able to track back and make sure this isn’t going to happen again,” Nathansson said. “One accident, because airlines are so public, is bad enough.”

Tego’s president and CEO, Timothy Butler, said that was one of the deciding factors in Airbus’ decision to adopt the system Tego and MAINTag developed.

“For the first time they will have the ability to have the part history, and not just the part number, across the whole life cycle,” he said.

Airbus can do that because Tego has a very special RFID chip — one that contains more memory than the usual passive chip, which might be able to hold simply a part number and a delivery date. In contrast, Tego’s chips can hold full documents, such as PDFs of diagrams showing the intended location of a part, and the entire usage history of a part. Every time an inspector uses an RFID reader to check the part, it can be recorded in the chip, ultimately showing the entire history of manufacturing and inspection of each part.

Butler would not say how much Tego’s contract with Airbus is worth.

Tego launched in 2005 and employs less than 25 people. In September 2009, Tego raised \$3 million in a bridge round of venture funding. The company took in \$6 million in 2007 from backers led by Bainco International Investors. Butler said that the recent funding was used to bring its chips to the manufacturing stage. The new Airbus deal should be the showcase Tego needs to launch its chips into as many markets as possible, Butler said, aiming to be “much like an ‘Intel Inside’ sort of model. We like to think we are providing the brains to that model.”

Tego and MAINTag aren’t the only partners that have won RFID deals with Airbus. In 2008, Tego’s Waltham neighbor OATSystems Inc. and its partner, IBM Corp., landed a similar deal with Airbus that was described at the time by OATSystems as the largest deal in RFID history. Tego, as it turns out, even has a stake in that contract.

According to a 2009 study by VDC Research, overall RFID spending in ‘08 was \$3.8 billion

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Today in the hallowed halls of the state government in Augusta, Maine, legislators are holding hearings on a first-in-the-nation bill that proposes putting warning labels about potential brain cancer on all cell phones sold in the state. Labels that even contain pictures. The bill in question is LD 1706, somewhat redundantly called “An Act to Create the Children’s Wireless Protection Act.”

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and should reach \$8.87 billion in 2013, Nathansson said.

Even with the Airbus win, Butler said he is ready to tackle as much of that growing market as possible.

"We're excited and rightfully proud of the accomplishment," he said. "We know we have a lot more work to do."

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