

SECURITY SYSTEMS NEWS

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Will Democratic win mean more security funds?

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When the winners of this past November's United States federal elections are sworn in this month, it will represent the first time in six years that the Republican Party has not had control over both the executive and legislative branches of government. Democrats now hold a slim majority of 51 to 49 in the Senate and a much wider margin in the House of Representatives. What this will mean for the security industry as a whole is open for speculation.

Jeffrey Kessler, senior vice president and senior analyst at Lehman Bros., has been tracking public companies in the industry for more than two decades. In his opinion, "a Democratically controlled Congress will actually be a positive--probably a bit of a negative for the defense industry--but positive for the security industry, given that the Democrats have been harping on the Administration to cut back on expenditures for military adventures abroad and spend more on homeland projects here."

It's Lehman Bros.'s position that, though there may be more discussion about the correct use of biometrics and identification technology, "the fact remains that there's going to be more money available for security and homeland projects, as a reallocation gets underway over the next couple of years," said Kessler.

Peter Michel, former chief executive officer of Brink's Home Security and current chief executive at GPS tracking firm iSECURETrac, agrees. "I think it's positive," he said of the Democratic changeover. "There's been a lot of confusion about the direction of government and DHS, and now there's going to be more of a dialogue that's going to lead to resolution. There's been a lot of delay in appropriations ... The money hasn't really been forthcoming."

Michel believes it's now in the interests of both parties to show that they're getting something done, and that doesn't apply only to homeland security funding. "Things like health care," he said, "you talk about a huge issue for any business; any progress that can be made there is very positive ... Health care is the big elephant in the living room in the whole business sector."

Elaine Dezenski, who as senior vice president for global government affairs at biometric manufacturer Cross Match Technologies is based in Washington, DC, is cautious about predicting too much change before she sees how newly elected officials start their legislating. However, she will say that "clearly, there's going to be quite a change." In terms of how that affects the industry, Dezenski predicted the Democrats' goals about implementing the recommendations of the 9/11 Committee, particularly those regarding controlling the borders, will mean more opportunity for the biometric sector in which she operates.

She also agrees with Kessler that, "putting a focus on domestic security programs could be an outcome of the new Democratic Congress. For example, there's been a lot of criticism that we haven't been spending enough money on rail security, on cargo systems, on port security, other areas where the funding hasn't been as high because the priorities have been different. Within that pot of money we could see a shift."

Michel said the balance of power alone will lead to "having sober discussions," which simply haven't been occurring over the past six years. "Just having broad-ranging discussions on these topics will result in very positive outcomes for the industry and for the country," Michel said. "We are as an industry in partnership with the government trying to solve these problems. And up to this point, ever since 9/11, the result has been much less than the country deserves. The skillsets of the industry have been underutilized by the government."