

Conference Round-up: Space Investment Summit 7

The seventh in a continuing series of Space Investment Summits was held in Boston on September 30, 2009. The theme of SIS7 was New Investment Opportunities in Space-Enabled Markets. The summit was hosted by a broad coalition, featuring The Boeing Company, EADS Astrium, Ecliptic Enterprises, and the law firm Posternak, Blankstein & Lund LLP. A record 130 plus professionals attended representing entrepreneurs from early stage “space-enabled” companies, senior space company executives, investors, and a variety of service providers.

My three favorite new company presentations were:

Next Giant Leap

Michael Joyce, founder & CEO of Next Giant Leap (NGL), discussed the company’s plan to provide a Mobile Universal Lunar Exploration Service (MULES) to customers seeking commercial transport services to the Moon, replicating the business model of serving the gold rush prospectors rather than doing the digging themselves. NGL’s partners are Sierra Nevada Corp., MIT Space Systems Laboratory, The Charles Stark Draper Laboratory, and Aurora Flight Sciences Corp. NGL is considered one of more serious contenders out of a field of roughly 20 contestants for the Google Lunar X PRIZE. With the recent discovery of widespread water on the Moon, demand to send robotic missions to the surface for scientific study and preparation for future manned exploration appears to be increasing significantly. We expect this market will prove to be one of the more real and earlier “New Space” sectors to attract investor interest.

Celestis

Charles Chafer, CEO of Space Services Inc., the parent company of Celestis Inc., gave a very persuasive presentation on the growing market for cremation memorial spaceflights, including very effective video clips of happy/sad friends and family of the company’s ultimate customers. With cremation rates approaching 50% in Western countries and the price of Celestis memorial flights becoming competitive with other cremation memorial options and funerals, the market opportunity looks promising. The key appears to be expanding marketing presence within the funeral industry on a worldwide basis.

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Ad Astra Rocket Company

Franklin Chang Diaz, Founder and President of Ad Astra and former Astronaut, discussed his experience moving from NASA to the commercial world and the joys and challenges of being an entrepreneur. His company is developing a new propulsion technology called Variable Specific Impulse Magnetoplasma Rocket (VASIMR[®]) that originated at NASA, but has been significantly enhanced to technology readiness 6 under his direction and is planned to fly on the International Space Station in 2013. For those not familiar with Ad Astra, check out their website at www.adastrarocket.com. There is little doubt this propulsion technology will play a major role in the future, given its high levels of efficiency, but there is a long road to success.

There were also several very informative keynote addresses. My favorite two were:

Mark Sirangelo, Executive Vice President of Sierra Nevada Corporation

– Mr. Sirangelo discussed the growing national security and commercial importance of smallsats and even nanosats. Sierra Nevada is now one of the top manufacturers of small satellites in the world having recently acquired both Space Dev Inc. and MicroSat Systems, Inc. Sierra Nevada also recently won the contract to build ORBCOMM's next generation fleet and has set up an assembly line manufacturing approach to increase cost and schedule efficiencies. To us at Near Earth, this smells like the future: low cost, mass produced satellites with diverse and increasingly powerful capabilities.

Jeff Greason, Co-founder and CEO of XCOR Aerospace

- Mr. Greason was chosen to represent the "New Space" industry on the Augustine Commission. He gave an overview of the Commission's deliberations and findings and the challenges they faced in finding a reasonable mission for NASA within the stated budget parameters. He also expressed how he was both surprised and delighted with the Commission's broadly shared consensus that the ultimate justification for NASA's budget, even in these weak economic times, was the critical importance to humanity of space exploration. Mr. Greason went on to explain numerically and convincingly how a manned mission to Mars was way out of the question anytime soon. That left the Commission two options for its recommendation: (1) a manned return to the Moon or (2) a focus on non-lunar destinations such as moons of Mars or asteroids (the



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Flexible Path). Doing both at the same time was also way out of budget parameters.

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Given the reality of NASA's approximately level annual budget, the Commission members gravitated toward recommending a Flexible Path before a manned return to the Moon. In essence, if the U.S. focused first on a manned return to the Moon it would require a higher up front expenditure to develop not only the launch systems required to get large space systems out of the Earth's gravity but also the manned lunar lander and return systems. On the other hand, a focus first on the Flexible Path would avoid the expense of the manned lander and return systems as all destinations would avoid deep gravity wells. The result of doing the Flexible Path first followed by a manned return to the Moon would be more evenly divided annual expenditures which would better match NASA's budget profile. Makes sense to us. Mr. Greason also found that he was not the only cheerleader for commercial space, as the Commission found a strong need for increased participation by the commercial sector and a return by NASA to its technology development roots.

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