

Launch costs to soar

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Teal Group Corporation
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Teal Group Assesses Satellite Market Impact of China ASAT Test

FAIRFAX, Va. — In response to China's anti-satellite (ASAT) weapon test last week, Teal Group Corp. today issued a Market Impact Brief providing a perspective of the mission from the standpoint of the world satellite market.

The Brief minimizes the significance of the political and military implications of the destruction of the in-orbit Feng Yun 1C satellite by a Chinese medium-range missile, and instead highlights the impact that ASAT weapons will have on the existing orbital debris problem.

"The point is that live ASAT weapons testing in space — be it at a low earth orbit (LEO), a medium earth orbit (MEO), or a geostationary earth orbit (GEO) — has a potential to damage or destroy a lot more than merely the intended target," says Marco Caceres, lead analyst for Teal Group's World Space Systems Briefing, the 1,450-page, monthly-updated competitive intelligence service under which the Market Impact Brief is released. For more information on the service, contact a sales representative at the Teal Group website, <http://www.tealgroup.com>, or call 703-573-5374, or fax 703-691-9591. "The event likely added hundreds of trackable debris objects and tens of thousands of small particles to the growing problem," he said.

The Briefing stresses the fact that these types of military activities in space can have a significant and immediate impact on the commercial satellite market. In the 1980s when the US conducted its last ASAT weapon test, there were far fewer commercial satellites than there are today, especially in LEO. Teal Group estimates that there are about 175-200 LEO commercial satellites currently in operation, in addition to other types of satellites and the International Space Station (ISS). The operational hardware in LEO represents a public/private investment of about \$120

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billion.

According to Caceres, "The overall satellite market is in the midst of a resurgence following a down cycle of roughly 5–6 years." He continues, "An ASAT weapons race will have the effect of increasing the financial risk of any satellite program, and this will undoubtedly be felt most within the commercial market through decreased investor confidence and/or high insurance rates."

Teal Group is a defense and aerospace market analysis firm based in Fairfax, Virginia, USA. It provides competitive intelligence to industry and government worldwide.

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