

Re: USG underpinning for satellite remote sensing industry?

Source: <http://sci.tech-archive.net/Archive/sci.space.policy/2008-03/msg00198.html>

- *From:* Allen Thomson <thomsona@xxxxxxxxxx>
 - *Date:* Fri, 7 Mar 2008 09:09:54 -0800 (PST)
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A striking thing in the report is the worry that present US satellite imagery providers might not be able to stay in business without government support as we get into the next decade.

p.26: "The inherent risk in this business case is whether the CDPs are viable in the mid-term (2012) without U.S. government support given projected global market changes."

p.29: " Two issues hinder the adoption of Business Case 2: (1) The business viability of the CDPs beyond 2010, given economic projections that the global imagery market will reach saturation as more foreign-owned capabilities come on line. The CDPs acknowledge these challenges and argue that their acquisition of airborne platforms expands their business viability. They also argue that moving into the imagery products market will, at a minimum, lead to retaining their current market size. Independent economic and business forecasts are less optimistic. They argue that further industry consolidation will occur as the market becomes more product saturated, noting that probably by 2010 probably only one CDP will be in business."

And, relevant to those "foreign-owned capabilities",

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http://www.aviationweek.com/aw/generic/story_channel.jsp?channel=space&id=news/ASTR03068.xml

Astrium Eyes Raising Stakes in SpotImage, Hisdesat
Mar 6, 2008
By Michael A. Taverna

Astrium Services is looking to up its stakes in geospatial information provider SpotImage and miltatcom operator Hisdesat as part of a plan to meld its space-based miltatcom, remote sensing and navigation capabilities into a family of integrated satellite services.

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The EADS unit already is a global leader in military satellite communications and a pioneer in providing miltatcom capabilities on a service contract basis. A British affiliate, Paradigm, is supplying UHF and X-band miltatcom services to the U.K. under the 3.6 billion pound (\$7.4 billion) 20-year Skynet 5 program, and seeking to establish a beachhead in the lucrative U.S. government telecom market.

Astrium also is building turnkey secure miltatcom systems for Germany, in partnership with SES affiliate ND Satcom, and the United Arab Emirates, under a \$1.6 billion teaming arrangement with Thales Alenia Space.

The company also is a force in the remote sensing market, through Infoterra, a wholly owned radar imaging affiliate and a 40 percent stake in optical imaging specialist SpotImage. In addition, it was part of the consortium that was bidding to deploy and operate Europe's Galileo satellite navigation system, and will certainly be part of the new team when the operations tender comes up again later in the decade.

The aim now, CEO Eric Beranger says, is to leverage these capabilities into a one-stop shop for satellite services. The move would be similar to the approach Iridium is taking with its Next constellation.

An initial step could be to combine radar and optical imaging products into integrated geospatial information services. To facilitate this, Beranger hopes to nail down the purchase of the 41 percent holding in SpotImage owned by French space agency CNES so it would be in a better position to do so. CNES Director General Yannick d'Escatha says he wants to strike a deal this year, although Beranger admits "there is still lots of work to do."

Once this is done, Astrium hopes to come to an agreement with the French government for a successor to the Spot 5 satellite, launched in 2002. Although the continued good health of Spot 2 and 4 indicate Spot 5 is likely to remain operational for some time, Beranger considers it urgent to line up a replacement to ensure the continuity of medium-resolution (1-3 meter) imagery, which represents the bulk of SpotImage's business.

Astrium last year completed Phase A preliminary definition for the new spacecraft and would be willing to help fund it, provided it can land a significant pre-sales agreement, Beranger says. He notes that President Nicolas Sarkozy has come down squarely in favor of public-private funding initiatives, and that a tax proposal currently before the French parliament would smooth their implementation.

In January, InfoTerra began marketing radar imagery on its new TerraSAR-X satellite, for which it has exclusive commercial imaging rights under a public-private partnership deal with German aerospace center DLR. A second satellite, Tandem-X, will provide backup and a 3D

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stereo imaging capability when it is launched in 2009. SpotImage has exclusive commercial rights to a pair of submetric imaging satellites, Pleiades 1 and 2, which are to enter operation in 2010–11.

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