

FOR IMMEDIATE RELEASE



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Arlington, VA – Chesapeake Analytics Corp. of Arlington VA is providing the following analysis of news release 12-09 from the Office of the Director of National Intelligence (ODNI) in which the Director of National Intelligence Dennis C. Blair announced the Obama administration’s plans for the next generation of electro-optical imaging spy satellites.

In what the administration is calling a ‘2-Plus-2’ approach, Blair announced that the US Government will acquire, via the National Reconnaissance Office (NRO), a pair of highly capable or ‘exquisite’ satellites from established intelligence contractors such as Lockheed or Boeing, at a system cost of several billions of dollars per satellite. The NRO had previously sought to acquire such satellites in its disastrous Future Imagery Architecture, a program cancelled due to management incompetence.

In a break with the Bush administration, the government has pre-empted an attempt by NRO to build and operate mid-resolution satellites under various programs such as BASIC or MIDSAT. Instead it will contract with commercial imagery suppliers GeoEye of Dulles, Virginia, and DigitalGlobe of Longmont, Colorado for next generation commercial satellites such as those procured by the National Geospatial Intelligence Agency (NGA) under the existing NextView contract with the two companies. Under the NextView contract, the NGA provided a 50% cost-share on the development and deployment of an imaging satellite owned and operated by the commercial company, while the government subsequently acquired imagery data from these satellites under an on-going service-level agreement. In Blair’s announcement, a similar arrangement is being considered for the next satellite for the two commercial companies. The announcement is very beneficial to both GeoEye and DigitalGlobe. The shares of GeoEye (NASDAQ: GEOY) have surged on the news.

The full text of the ODNI press release is available at <http://www.chesanal.com/geospatialpress.htm>

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