

Chandler firm gets Air Force contract

Balloons will improve troop communications

By Luci Scott *The Arizona Republic*

CHANDLER, August 30, 2006 - A Chandler company working for years on a communications network utilizing high-altitude balloons finally has seen its work pay off, landing a \$49 million Air Force contract.

Space Data Corp. will provide the military with 6-foot-wide latex rubber balloons equipped with communications equipment that probably will be used in Iraq and Afghanistan to greatly improve communication among ground troops.

"It's a feather in Chandler's cap," said Gerald Knoblach, chairman and chief executive officer of Space Data. "We're a high-tech industry with a new technology the Air Force has recognized called 'near space.' We're in the lead in that right now. It's a technology conceived and founded and developed in Chandler."

The technology is called "near space" because the balloons can rise to 100,000 feet above sea level.

The balloon, called SkySat, is filled with helium or hydrogen. Its high-tech payload allows communication on the ground similar to satellites but at far less cost.

"Through our balloons, (troops) can extend the range of the standard field radio from five miles to over 500 miles," Knoblach said, noting that mountains and buildings are not deterrents.

He said he doesn't know how many balloons the company will supply the Air Force because part of the contract involves training the military to use the technology.

Knoblach likely will hire additional employees and expand his production facility, but details have not been decided.

Space Data has been doing demonstrations for the Air Force since 2003.

The network operates on the same principle as hot air balloons. To decrease the altitude, gas is let out. To make balloons go higher, ballast is released.

But the SkySat balloon is equipped with a GPS receiver and is able to adjust its altitude remotely.

"We can tell it from the ground to go to 80,000 feet, and it will automatically vent and ballast until we tell it to go somewhere else," Knoblach said.

Knoblach, who was granted a patent on technology in 2003, founded Space Data in 1997.

Space Data has launched 10,000 balloons over Texas, Oklahoma and parts of Arkansas and Louisiana to help the oil industry monitor oil and gas production and keep track of equipment. But this is the company's first significant foray into government.

"This will probably double the company," Knoblach said. "It's hard to say, depending on how fast they order. It sounds like things will come pretty fast, and this should take us to the break-even point."

The technology also has generated increasing interest from police officers, firefighters, FEMA officials and the Department of Homeland Security.

"A hurricane can come through and wipe out towers, power systems and communication lines," he said. "Here's a system you can pop up instantly. It lets first responders communicate with each other."