

A TOURIST'S PERSPECTIVE ON SPACE

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I, Michael Blum, am a venture capitalist for Richard Branson.

Well, not really. After all, billionaires like Branson don't need me to finance them.

But figuratively it is nevertheless true, because I have bought my ticket for a ride on Virgin Galactic's suborbital SpaceShipTwo.

By purchasing a ticket I not only put myself on a path to fulfill my childhood dream of going to space, but I'm also doing what I can to support the nascent commercial space industry. I'm betting on the success of Virgin Galactic, and I also believe that affordable and safe access to space will likely be available to hundreds of thousands, or even millions of people in the coming decades. For now, I'm also a tiny bit of proof that a market for these journeys exists.

My Dream

When I was 6 years old my first grade teacher turned on the television so we could watch the launch of one of the first Space Shuttle missions. From the amazing moment that the Main Engines ignited and my classmates and I saw this marvel of technology rise into the Florida skies, I knew I wanted to be an astronaut. On that day, so did most of the other kids in that classroom.

But becoming an astronaut turned out to be virtually impossible for me. Take a look at the opening chapter of Colonel Mike Mullane's great book *Riding Rockets*, and pay particular attention to his description of the astronaut selection process. See if you share my admiration for him and also if you feel a bit of inadequacy – I know I couldn't have done that, and no amount of self-confidence would have made it so.

So I had to find a different way. Alas, a \$25M trip to the International Space Station, à la Dennis Tito, is definitely beyond my financial means, and so it turned out to be entirely fortunate for me, and for a great many others, that entrepreneurs including Richard Branson believe in the market for commercial space travel. They're creating businesses to enable people like me to experience something we had only once dreamed of.



Figure 1

Blum's future spacecraft, Virgin Galactic SpaceShipTwo.
Image provided courtesy of Virgin Galactic.

Branson is not alone, of course. His technology partner in Virgin Galactic, Burt Rutan of Scaled Composites, is providing the hardware to match Branson's entrepreneurial and marketing vision. And there are other

ventures, including Elon Musk's SpaceX, and Robert Bigelow's Bigelow Aerospace, and their dedicated teams are setting about to fulfill my childhood dream, because it is a dream that they also share.

Why do so many people want to go to space?

There's the romance of it, the lure to see the Earth differently, from above. There's a wonderfully romantic feeling attached to the idea of looking out a porthole back onto the home planet, of seeing it floating there so effortlessly in the vast expanse of darkness around it that is the universe, and watching the tiniest of blue slivers, our atmosphere, stretch across the horizon. This very sight has humbled those lucky few who, like Mullane, had the right stuff and the good fortune to get chosen to ride on big rockets. Well the rest of us want a look too.

And there's politics. One of the earliest ticket holders on a now defunct space tourism venture once mentioned that she would have happily given her ticket away to the leader of any nation who asked for it, simply so that the leader could experience first hand that in fact nothing separates us from one another; that borders are lines on maps but should not divide people, or make them forget the oneness of humankind.

Oh, and the adventure!

The lure of experiencing the seemingly final frontier, a trip to space allows us mere mortals to experience sensations that otherwise are barely attainable. Is your idea of fun a supersonic flight, alas, now a great rarity since the Concorde has been mothballed? And high G-loads, followed by weightlessness and then more G-loads on reentry? This is as good a reason as any to buy a ticket.

And the pioneering spirit?

To be among the first 1,000 or 10,000 humans to leave the planet will be an honorable badge of achievement to recount to future generations, who shall then perhaps be inspired to reach further and set their own higher standards for themselves and their descendants in their journeys to come.

Driven into Space

But perhaps the single most important motivation for me, the reason above all others that I plunked my deposit down with Virgin Galactic and took my place in line, was expressed by Elon Musk, the founder of Space Exploration Technologies. He noted that when we think of the truly important events in history, we need to think in a geologic time scale. The

rise and fall of empires has no geologic significance, nor do even our great historical documents such as the Magna Carta or the Constitution.

Beyond civilization's events, it was life's destiny to leave the oceans and colonize the surface of the Earth, and this is the single most important event in our geologic history.

Scientists are unsure why life evolved beyond its sole habitat in the world's oceans, but what is clear is that the realm of land and air posed countless challenges to the early aquatic creatures. Gravity, new sensory stimulation, including light, sounds and smells that did not exist in the water, the search for food, and of course the need to exchange oxygen and carbon dioxide for respiration, the steps onto land were not easy. Nor were they necessarily obvious.

So why did it happen?

Did competition for survival drive these organisms from their ocean home? Was it opportunity? Or was it simply the availability of new habitats and niches? Could it have been an innate drive to explore?

The answer may remain forever hidden from us, but by thinking in a geologic timescale one cannot but come to the conclusion that the same drive, the same forces, the same imperatives that led the ocean's creatures to colonize the land will inevitably lead humans to colonize the solar system, and perhaps many more solar systems beyond our own.

In my small way I will also be part of this.

The need for inspiration

Today's kids seem more interested in the latest video games and iPhone Apps than in space, but this was not always so. At the height of the Apollo Program, NASA and its contractors employed over 400,000 people, average age 28, all dedicated to the single cause of putting a man on the moon. This challenge inspired widespread excitement and enthusiasm in people not only in the United States, but also around the world.

Where is today's younger generation? Today, the average NASA employee is 47.

But ventures such as Virgin Galactic and SpaceX have the potential to reignite the fire of excitement in our children, to demonstrate that a career in engineering or science may lead to a great success not only for the individual, but for society as well. And perhaps you'll make a fortune too.

All of these factors – romance, politics, adventure, the pioneering spirit, evolution – have played a role in my decision to buy a ticket on Virgin Galactic. Today, as I wait impatiently for my turn, I cannot say which aspect appeals to me more. Perhaps I will be able to tell you after I return. And then we can discuss it all after you return from your journey.

And after millions of us have seen the Earth from outer space, and when millions more live their lives on other planets and space habitats, what then will they say about evolution, and adventure, and politics, and romance?

This is what my ticket on Virgin Galactic gives me the opportunity to be part of.

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Michael A. Blum



Michael A. Blum is the Chief Operating Officer at Hedgeye Risk Management. Prior to co-founding Hedgeye, Michael was Founder and Chief Operating Officer of Falconhenge Partners. The firm was integrated into Magnetar Capital in April 2006. Before moving to Wall Street, Michael spent 7 years in Silicon Valley, eventually joining PayPal, the world's leading electronic payment system, where he served as Country Manager, Germany and eventually oversaw the firm's business in SE Asia and the Pacific. PayPal sold to eBay for \$1.5B in 2002. Michael is an Astronaut-in-waiting with Virgin Galactic, and received his Bachelor of Arts in Economics and International Studies (honors) from Yale University.

(Editor's note: Michael Blum's trip on Virgin Galactic is currently scheduled for 2012.)

