

**ALASKA STATE LEGISLATURE  
HOUSE SPECIAL COMMITTEE ON ARCTIC POLICY,  
ECONOMIC DEVELOPMENT, AND TOURISM**

March 21, 2017

12:04 p.m.

**MEMBERS PRESENT**

Representative Dean Westlake, Chair  
Representative Bryce Edgmon  
Representative Andy Josephson  
Representative Chris Tuck  
Representative Gary Knopp  
Representative Mark Neuman  
Representative David Talerico

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

CS FOR SENATE CONCURRENT RESOLUTION NO. 4 (STA)  
Relating to the Task Force on Unmanned Aircraft Systems.

- MOVED HCS CSSCR 4 (AET) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: SCR 4

SHORT TITLE: TASK FORCE ON UNMANNED AIRCRAFT SYSTEMS

SPONSOR(S): SENATOR(S) HUGHES

|          |     |   |
|----------|-----|---|
| 02/22/17 | (S) | READ THE FIRST TIME - REFERRALS                 |
| 02/22/17 | (S) | STA   |
| 03/09/17 | (S) | STA AT 3:30 PM BUTROVICH 205                    |
| 03/09/17 | (S) | Moved CSSCR 4 (STA) Out of Committee            |
| 03/09/17 | (S) | MINUTE (STA)                                    |
| 03/10/17 | (S) | STA RPT CS 5DP SAME TITLE                       |
| 03/10/17 | (S) | DP: DUNLEAVY, EGAN, COGHILL, GIESSEL,<br>WILSON |
| 03/13/17 | (S) | TRANSMITTED TO (H)                              |
| 03/13/17 | (S) | VERSION: CSSCR 4 (STA)                          |
| 03/14/17 | (H) | READ THE FIRST TIME - REFERRALS                 |
| 03/14/17 | (H) | AET   |
| 03/21/17 | (H) | AET AT 12:00 AM CAPITOL 106                     |

**WITNESS REGISTER**

BUDDY WHITT, Staff  
Senator Shelley Hughes  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented SCR 4 on behalf of Senator Hughes, prime sponsor.

STEVE WACKOWSKI, Taskforce Member  
Operations Manager  
Tuluva Joint Venture between Fairweather Science, Kaktovik  
Inupiat Corporation, and Olgoonik Oilfield Services  
Anchorage, Alaska

**POSITION STATEMENT:** During the hearing of SCR 4, testified and answered questions.

CATHY CAHILL, Director  
Alaska Center for Unmanned Aircraft Systems Integration  
University of Alaska Fairbanks  
Fairbanks, Alaska

**POSITION STATEMENT:** During the hearing of SCR 4, answered questions.

**ACTION NARRATIVE**

[12:04:36 PM](#)

**CHAIR DEAN WESTLAKE** called the House Special Committee On Arctic Policy, Economic Development, and Tourism meeting to order at 1:06 p.m. Representatives Westlake, Knopp, Talerico, Edgmon, and Josephson were present at the call to order. Representatives Newman and Tuck arrived as the meeting was in progress.

^#scr4

**SCR 4-TASK FORCE ON UNMANNED AIRCRAFT SYSTEMS**

[12:05:24 PM](#)

REPRESENTATIVE WESTLAKE announced that the only order of business would be SENATE CONCURRENT RESOLUTION NO. 4, Relating to the Task Force on Unmanned Aircraft Systems. [Before the committee was Version 30-LS0360\D.]

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BUDDY WHITT, Staff, Senator Shelley Hughes, Alaska State Legislature, advised that in 2013, Senator Hughes' constituents brought to her attention the issue of unmanned aircraft systems, particularly involving privacy concerns with drones. The legislative task force was formed to provide a private and public partnership for the advancement of unmanned aircraft systems and looking at state and federal laws having to do with privacy concerns in Alaska. The key component of the task force was to review Alaska's statutes to determine what additional privacy protections were needed in order to not only protect the privacy of Alaskans, but also provide for an expansion of this growing technology. Key pieces of legislation came forward due to this task force and the 2014 legislation clearly defined the rules for law enforcement's use of unmanned aircraft systems and permitted the University of Alaska to develop an unmanned aircraft system operations training program. The bill strictly specified the following: search warrants must be issued before gathering evidence for a criminal investigation, law enforcement maintain a record of each flight, establish an available flight record system, law enforcement would only be allowed to operate with trained and certified pilots and crews, obtain authorization, permits, and certificates required by the FAA, notify the public of operations of unmanned aircraft systems, provide for community involvement in the development of policies, ensure that the flight of an unmanned aircraft system was for a public purpose, and dispose of images not required as part of an investigation for prosecution or training.

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MR. WHITT advised that the taskforce on passed HJR 5 in 2015, recognizing the Academy of Model Aeronautics for its drone safety and education purposes. In 2016, HCR 17 was passed to support the unmanned aircraft industry's use of state land to conduct tests, training, and develop the technology. Development of drone safety guidelines and privacy guidelines were also completed by this taskforce and examples of those guidelines are enclosed in the committee packet. A partnership with the Department of Commerce, Community & Economic Development has been a key component in making certain those items are available on line for those interested in flying a drone safely and education. The taskforce would like to continue to review the industry, FAA guidelines, federal and state laws, and address any additional concerns from the public. The taskforce is devoted to volunteers to run this taskforce with zero cost to the state, and the bill sponsor asks that the

committee support the passage of this legislation so this effort can continue.

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REPRESENTATIVE TUCK referred to page 3 of the legislation, and advised he was looking for the words "public and industry" because the fiscal note analysis read, "it was prepared with the assumption that the amendment striking the words 'public and industry' from page 3 had been adopted." He asked whether it had been adopted.

MR. WHITT responded that in a previous committee, the two words "public and industry" were stricken from the resolution and striking those words precludes any member of the taskforce from receiving any compensation for their service on the taskforce.

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REPRESENTATIVE NEUMAN asked who staffs the taskforce, copies down the recommendations, performs work, and how it is funded.

MR. WHITT replied that the taskforce is staffed by two legislative members, Senator Hughes and Representative Neal Foster, who put together the agendas, meetings, materials, take minutes, making recommendations, and the responsibilities of those two legislative members are performed under current funding of those offices.

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REPRESENTATIVE NEUMAN asked whether the recommendations are then sent to the legislature.

MR. WHITT answered that if the taskforce made recommendations concerning privacy or anything related to unmanned aircraft systems that would require legislative input, the recommendations would then be drafted into legislation, as has been worked on previously, and brought to the legislature for review.

REPRESENTATIVE NEUMAN noted that eventually there would have to be regulations written for this legislation.

MR. WHITT responded that for the taskforce itself, regulations would not be written, its charter is within the language of the resolution before the committee. However, he said, if

regulations needed to be written by the state in order to make sure this technology is managed properly, it is quite possible the taskforce would make a recommendation for additional regulations. However, based upon the history of the taskforce in its four years of existence, and based upon the history of the legislators who are assigned, the proclivity is to write statute and not regulation.

REPRESENTATIVE NEUMAN said that obviously regulations are promulgated on statute, so if statutes are written, regulations will be written. There must also be a state entity enforcing these regulations and that costs money, such as state employees' time and efforts. Now, he said, there are recommendations to give to a state entity and asked what state entity will enforce these regulations, and what efforts will be involved as the legislature continues to reduce these state departments' budgets, yet they still have all of the regulations currently on the books which expends huge costs. He asked who will cover the costs of writing and enforcing the regulations, and what department.

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MR. WHITT answered that the sponsor believes emerging technologies require the state to look at emerging technologies the right way because 20-years ago, unmanned aircraft systems were not known to be used by civilians and were used in certain military capacities. As these emerging technologies come forward, there may be changes in how the state conducts itself, and how it regulates. He speculated that the sponsor would agree there is cost in creating regulations and regulating new and developing industries and technologies, except, not performing that regulatory task results in confusion in how this technology is supposed to be handled by the state and public.

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REPRESENTATIVE KNOPP commented that the state does not regulate airspace, the FAA regulates all airspace controlled, and uncontrolled. He opined that the taskforce monitors the FAA actions and regulations that are put in place, and provide some commentary to the FAA in developing the regulations. The state as a governing body will never have an option to regulate airspace, he reiterated.

MR. WHITT agreed, and he said the FAA does control airspace, the mission of the taskforce is to be a conduit between the state's

interests and the FAA's regulations on unmanned aircraft systems. However, he added, the taskforce has made recommendations on legislation in previous years and regulations must be written according to that legislation. The taskforce rides the line between federal interests and/or Alaska's state interests and tries to make recommendations based upon the needs of Alaskans, and what the federal governments dictates.

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REPRESENTATIVE KNOPP requested an example of regulations the taskforce proposed and the state adopted.

MR. WHITT offered that HB 255 is the clearest indicator of how the taskforce took the FAA regulations and developed statutes in an attempt to solve some of the concerns of the public. He advised that the bill dealt mostly with law enforcements' use of unmanned aircraft systems, and setting up the University of Alaska, Fairbanks' unmanned aircraft research center.

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REPRESENTATIVE EDGMON, in speaking in support of the resolution, noted the language appeared to be in future tense or future oriented. He asked why the legislature would not carry this taskforce out farther than just an additional year, noting that the state is encountering tough fiscal times. He pointed out that he is becoming less supportive of running these things every year or every two years when it is cheaper to place the timeline at five years.

MR. WHITT responded that the legislative members of the taskforce are on two-year cycles and the sponsor was trying to keep that same date sequence.

REPRESENTATIVE EDGMON noted agreed that that makes sense, except on the other hand, it also make sense that the legislature would extend to 2020, or 2022, because arguably this taskforce will be around for some time. He said he agrees with Representative Newman in that it takes money to run these bills through the system.

MR. WHITT agreed to take Representative Edgmon's suggestion to the sponsor.

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STEVE WACKOWSKI, Taskforce Member, Operations Manager, Tulugaq Joint Venture between Fairweather Science, Kaktovik Inupiat Corporation, and Olgoonik Oilfield Services, advised that the joint venture has conducted unmanned aerial systems (UAS) operations in the North Slope, and Kenai Peninsula. Mr. Wackowski, in providing background, advised that he flew UAS in the military overseas, and research purposes in the Arctic, and commented that he came home to help grow the blossoming industry. In response to Representative Newman, answered that beyond just doing a report, the taskforce through various Alaskan legislators did write letters of advocacy to the Congressional Delegation, the FAA, and to "our trade organizations" to help encourage businesses to come to Alaska. Research and development dollars have come to Alaska because the "big UAS industry" itself has seen a good partnership between the state, industry, and the university, and it has help incentivize research and development dollars to come north to conduct operations. In 2013, the first ever commercial beyond visual line of sight UAS operation happened in Alaska, and it is on the cutting edge" in many ways of this technology. As the industry grows, "we hope to grow" with it and create jobs for Alaskans. He opined that the state has actually regulated drones in two sectors, the Alaska Department of Fish & Game banned the use of drones for same-day hunting, and the fishing industry banned drone use for spotting fish. He remarked that other states are "doing this kind of hodge podge" of regulations and it has limited people. There are so many sets of rules from the FAA and its standards for safety are "pretty gold standard" and any additional regulation at the state level would be prohibitive to growing the industry.

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REPRESENTATIVE NEUMAN offered that oftentimes good industry emerges and government tends to get in the way, which was a big part of his concern. He asked whether private industry has the ability to invest in this taskforce in writing these recommendations because the state cannot just accept funds, and possibly part of the recommendations could be to be able to accept funding for this subject.

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REPRESENTATIVE EDGMON referred to Version D, page 1, lines 5-8, which read as follows:

**WHEREAS** the legislature has provided significant financial support to the Alaska Center for Unmanned Aircraft Systems Integration at the University of Alaska Fairbanks to further the center's research initiatives and to increase its capabilities for use as a Federal Aviation Administration test site; and

REPRESENTATIVE EDGMON noted that the legislature is substantially cutting the university's budget, and he said he said that as a matter of fact and not as a partisan statement.

MR. WHITT interjected deferring to Cathy Cahill.

12:30:00 PM

REPRESENTATIVE EDGMON asked to finish his question by inquiring as to whether the taskforce advocates in any manner at all, or "are you just merely -- sort of an ad hoc advisory board."

MR. WACKOWSKI replied that "They have advocated for us," and an example is the yearly worldwide trade show "AVUSI." The taskforce coordinated "us partnering" with the university and the industry partners based in Alaska, to man a booth encouraging people to come to Alaska and fly their drones for research and development.

REPRESENTATIVE EDGMON referred to his suggestion of extending the expiration date of the taskforce, and asked whether that would help with the continuity of the taskforce for someone like Mr. Wackowski.

MR. WACKOWSKI responded that he is one of two industry representatives, and they wholeheartedly support extending the taskforce beyond the two-year cycle.

12:31:22 PM

CATHY CAHILL, Director, Alaska Center for Unmanned Aircraft Systems Integration, University of Alaska Fairbanks, advised that in terms of funding, there was an original \$5 million capital grant from the legislature to allow the Alaska Center for Unmanned Systems Integration to compete in the competition for one of the FAA test sites. The center partnered with Hawaii and Oregon and formed the Pan-Pacific UAS Test Range Complex, and were awarded the test site, and also was awarded all of the FAA responsibility for the site. Originally, she said, they believed the FAA would have each state accept responsibility for

their operations, and instead the FAA gave it all to the University of Alaska Fairbanks because it had a long track record of unmanned aircraft operations. She said that thanks to various legislators, a couple of years ago money was put into the university operating budget for this particular center, and that is money it has used to, further development of curriculum, work the test sites, try to bring industry into Alaska, supports some of its basic operations. It was a commitment from the legislature to the university that the university has been trying to protect so the legislature's desires are moved forward.

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REPRESENTATIVE WESTLAKE asked how extending the deadline for more continuity affects the center.

MS. CAHILL commented that the center believes is important to pay attention to the concerns of the public, to help move forward FAA communications especially as one of its test sites and being part of its Center for Excellence for unmanned aircraft operations. In the event the taskforce was extended, she explained that it would allow the center to continue those services over a longer period of time without going through the renewable process every two years.

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REPRESENTATIVE KNOPP requested a progress report as to research and development and enticing the industry to come to Alaska, whether current regulations are still being developed, and the center's successes.

MS. CAHILL responded that the center is partnering with multiple private companies, it is working with Mr. Wackowski, of Fairweather, Lockheed Martin, the Arctic Slope Regional Corporation, and other companies of which they have non-disclosure agreements. The center is also seeing activity in other ranges of the Pan-Pacific of which seeds money into the Alaska program; it is working for NASA at the Tillamook Range in Oregon where it recently had a flight from 70,000 feet to the surface; the center is working hard on getting curriculum up and going, and it is a pathway for former military to have a civilian role - this particular center has over 100 years of combined military experience in its operators. The major challenge is the FAA; therefore, the center has been working hard through its test site program and the Center of Excellence,

in working specifically on Alaskan issues. For the center that would be, beyond visual line of sight, which is necessary in order to, for example, fly the inner-(indisc.), or fly the C-GCET towers, or other operations. The center is trying to push the technologies and move it forward so it can actually be employed safely in Alaska. All of its operators are manned pilots and concerned about Alaska's airspace, the center has been working with NASA on the UAS Traffic Management Research Project. Currently, the regulations on the federal side are the center's biggest handicap, she reiterated.

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REPRESENTATIVE KNOPP asked the center's funding sources and whether it receives federal grants or fees from commercial operations, or whether it is solely involved in the state budget for the program.

MS. CAHILL answered that the funding is two-thirds to three-quarters federal and private funds. The center is working hard in terms of bringing in that outside funding and that it is ramping up.

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REPRESENTATIVE WESTLAKE asked whether there is a financial picture on the funding sources and how it has affected other monies, and how the state used this \$5 million initial outlay as leverage to attract more money.

MS. CAHILL responded that the center is coming up on the end of that original five-year grant and it will compile a summary shortly in terms of how the money was spent, what it has accomplished in getting the Pan-Pacific UAS Test Range Complex up and running, getting students up and going, and so forth.

REPRESENTATIVE WESTLAKE responded that the committee would appreciate receiving the final summary.

[12:39:37 PM](#)

REPRESENTATIVE WESTLAKE opened public testimony on SCR 4. After ascertaining no one wished to testify, closed the public hearing on SCR 4.

[12:40:13 PM](#)

REPRESENTATIVE NEUMAN commented that a report to the committee would be good to have as to the funds it was able to bring in, its goals, the successes, and challenges. Usually, he related, when timing is set at one to two years it is put there so the legislature can receive those updates.

REPRESENTATIVE KNOPP commented that he does support the taskforce and is glad the state has it because as a pilot, when the drone industry first started there were concerns about where the drones would fly, how far, and how high. He related that it is an industry he actually likes because the technology is incredible. The taskforce, he pointed out, has served a good purpose in the recommendations and regulations in helping to control that industry and moving it forward, and he would like to see the timeline for the taskforce extended to a minimum of four years.

REPRESENTATIVE TUCK related that this is a good example of how the university can create new industries in Alaska, and the taskforce helped make that happen with the seed money. It is also an example of the necessity of being careful about the amount of money the legislature cuts from the university's budget because sometimes that is research dollars coming into Alaska. In looking forward, he said, he is mindful of the state's fiscal situation, as is the resolution, because people are "doing it" with no compensation on a volunteer basis and it has a zero-fiscal note as a result. There may be times in the future that the legislature "just needs to make a little small investment," he remarked.

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REPRESENTATIVE WESTLAKE related that he sees the potential for drones in search and rescue and protecting Alaska's resources, and there is huge potential for all of the citizens of the state.

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REPRESENTATIVE TUCK advised that he serves on the Board of Trustees for the Alaska (indisc.) School and it is looking at unmanned aircraft as part of its apprenticeship program because drones are used in the utility world for safely inspecting power lines and tower climbing.

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The committee took an at-ease from 12:44 p.m. to 12:47 p.m.

12:47:00 PM

REPRESENTATIVE EDGMON moved to adopt Conceptual Amendment 1, on SCR 4, Version D, page 3, line 31. He moved to delete June 30, 2018, and insert June 30, 2020.

REPRESENTATIVE NEUMAN noted that currently it is slated to end on June 30th, which is generally when the legislature is not in session. He suggested the timeline end while the legislature is in session so it would not be a stagnating date.

REPRESENTATIVE KNOPP suggested that Conceptual Amendment 1 simply allow the legislature to address it through that legislative session, and at that time the legislature would make a motion to extend the deadline again or just let it lapse. In the event the committee moved it up any earlier it would force the legislature to act on it too early in the session, and said he was supportive of leaving it out there in June because it gives the legislature the entire session to address the subject.

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There being no objection, Conceptual Amendment 1 was adopted.

12:49:10 PM

REPRESENTATIVE EDGMON moved to report SCR 4(STA), Version 30-LS0360\D, as amended, with individual recommendations and the accompanying fiscal notes. There being no objection, SCR 4(STA) moved from the House Special Committee on Energy.

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12:52:28 PM

#### **ADJOURNMENT**

There being no further business before the committee, the House Special Committee on Energy meeting was adjourned at 12:52 p.m.