

HCR

15

<TARGET><BILL>HCR 15</BILL><SUBJECT>HCR
15</SUBJECT><COMM>SFIN28</COMM></TARGET>

SENATE FINANCE COMMITTEE REPORT

DATE: 4/7/14

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE CONCURRENT RESOLUTION NO. 15(FIN)

HCR 15-TASK FORCE ON UNMANNED AIRCRAFT SYSTEMS

Relating to the Task Force on Unmanned Aircraft Systems.

and recommends:

be replaced with SCS _____ (_____) Same Title Technical Title Change
 New Title/SCR No. _____

adopt previous SCS _____ (_____) Same Title Technical Title Change
 New Title/SCR No. _____

attached amendment(s)

adopt _____ Letter of Intent

further referral to _____ Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
Leg	✓			2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	DRAKEAU			✓	
<i>[Signature]</i>	BISHOP	✓			
<i>[Signature]</i>	HOFMAN	✓			
<i>[Signature]</i>	ORSON	✓			
<i>[Signature]</i>	FAIRCLOUGH	✓			
CO-CHAIR:	Kelly				
CO-CHAIR:					

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: CSHCR 15(FIN)
Fiscal Note Number: 2
(H) Publish Date: 3/27/14

Identifier: CSHCR15-LEG-COU-03-2014
Title: TASK FORCE ON UNMANNED AIRCRAFT
SYSTEMS
Sponsor: HUGHES
Requester: Rep Hughes

Department: Alaska Legislature
Appropriation: Legislative Council
Allocation: Council and Subcommittees
OMB Component Number: 783

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services							
Travel	8.9		8.9	8.9			
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	8.9	0.0	8.9	8.9	0.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund	8.9		8.9	8.9			
Total	8.9	0.0	8.9	8.9	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? NO
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Updated for CS (L&C) Version

Prepared By:	Jessica Geary, Finance Manager	Phone:	(907)465-6626
Division:	Legislative Affairs Agency	Date:	03/25/2014 04:23 PM
Approved By:	Pamela Varni, Executive Director	Date:	03/25/14
Agency:	Legislative Affairs Agency		

FISCAL NOTE ANALYSIS #2

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHCR 15(FIN)

Analysis

HCR 15 creates the continuation of a task force on unmanned aircraft systems within the legislative branch. The task force will have 12 members which will be comprised of the 7 members from the HCR 6 original task force and 5 new members. The task force intends to meet as needed during and between sessions through June 30, 2017. They anticipate having a meeting during the summer, one during the fall and one right before session of each year. Because of the residence of the task force members and location of the meetings, a minimalist travel budget is incorporated into this fiscal note. Teleconference and printing costs will be absorbed within existing budgets and they intend to utilize existing staff.

ALASKA STATE LEGISLATURE



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Representative Shelley Hughes
House District 8 ~ Greater Palmer

Honorable Representative Craig Johnson, Chair
Rules Committee
State Capitol Room 216
Juneau, AK 99801

HCR15 Unmanned Aircraft Systems CSHCR15(FIN) ver O Sponsor Statement March 27, 2014

The Legislative Task Force on Unmanned Aircraft Systems (UAS) was formed under HCR 6 SLA 13 to review regulations and guidance regarding UAS and provide recommendations for a comprehensive state policy for unmanned aircraft that protects privacy and allows the use of UAS for public and private applications. The Task Force will complete the work identified in HCR 6 by June 30, 2014.

The Task Force reviewed multiple potential UAS scenarios focusing on privacy issues, economic development, public safety, anticipated mission types, and safety. We evaluated existing privacy laws for Alaska to avoid recommending duplicative law, and stressed the importance of public education to address concerns regarding UAS use in the state. The Task Force recognized the beneficial uses of UAS for life-saving, cost-saving and beneficial applications.

It was clear in the Task Force meetings that the stakeholders, industry and the public wanted a single point of contact for monitoring the status of this emerging technology and the resulting UAS industry growing in Alaska. The single point of contact would consider comments and concerns, help with public education, and direct specific inquiries to the correct entity that may be conducting UAS missions.

This resolution will extend the duties and length of the Task Force for an additional three years to coincide with the FAA test site period for UAS in Alaska. The resolution will allow a continued and necessary review of the use of UAS in Alaska and further consider state laws to protect privacy, educate the public and be a central point of contact as we monitor this new industry.

House Labor and Commerce Committee added three new members to the task force; one representing the Department of Commerce, Community and Economic Development and two UAS industry seats. Additional language was added encouraging private industry growth in Alaska. House Finance corrected the fiscal note and clarified existing language.



Federal Aviation
Administration

Busting Myths about the FAA and Unmanned Aircraft

?



February 26—There are a lot of misconceptions and misinformation about unmanned aircraft system (UAS) regulations. Here are some common myths and the corresponding facts.

Myth #1: The FAA doesn't control airspace below 400 feet

Fact—The FAA is responsible for the safety of U.S. airspace from the ground up. This misperception may originate with the idea that manned aircraft generally must stay at least 500 feet above the ground

Myth #2: Commercial UAS flights are OK if I'm over private property and stay below 400 feet.

Fact—The FAA published a [Federal Register notice \(PDF\)](#) in 2007 that clarified the agency's policy: You may not fly a UAS for commercial purposes by claiming that you're operating according to the Model Aircraft guidelines (below 400 feet, 3 miles from an airport, away from populated areas.) Commercial operations are only authorized on a case-by-case basis. A commercial flight requires a certified aircraft, a licensed pilot and operating approval. To date, only one operation has met these criteria, using Insitu's ScanEagle, and authorization was limited to the Arctic. (<http://www.faa.gov/news/updates/?newsId=73981>)

Myth #3: Commercial UAS operations are a "gray area" in FAA regulations.

Fact—There are no shades of gray in FAA regulations. Anyone who wants to fly an aircraft—manned or unmanned—in U.S. airspace needs some level of FAA approval. Private sector (civil) users can obtain an experimental airworthiness certificate to conduct research and development, training and flight demonstrations. Commercial UAS operations are limited and require the operator to have certified aircraft and pilots, as well as operating approval. To date, only two UAS models (the Scan Eagle and Aerovironment's Puma) have been certified, and they can only fly in the Arctic. Public entities (federal, state and local governments, and public universities) may apply for a Certificate of Waiver or Authorization (COA). The FAA reviews and approves UAS operations over densely-populated areas on a case-by-case basis.

Flying model aircraft solely for hobby or recreational reasons doesn't require FAA approval, but hobbyists must operate according to the agency's model aircraft guidance, which prohibits operations in populated areas.

Myth #4: There are too many commercial UAS operations for the FAA to stop.

Fact—The FAA has to prioritize its safety responsibilities, but the agency is monitoring UAS operations closely. Many times, the FAA learns about suspected commercial UAS operations via a complaint from the public or other businesses. The agency occasionally discovers such operations through the news media or postings on internet sites. When the FAA discovers apparent unauthorized UAS operations, the agency has a number of enforcement tools available to address these operations, including a verbal warning, a warning letter, and an order to stop the operation.

Myth #5: Commercial UAS operations will be OK after September 30, 2015.

Fact—In the 2012 FAA reauthorization legislation, Congress told the FAA to come up with a plan for "safe integration" of UAS by September 30, 2015. Safe integration will be incremental. The agency is still developing regulations, policies and standards that will cover a wide variety of UAS users, and expects to publish a proposed rule for small UAS – under about 55 pounds – later this year. That proposed rule will likely include provisions for commercial operations.

Myth #6: The FAA is lagging behind other countries in approving commercial drones.

Fact – This comparison is flawed. The United States has the busiest, most complex airspace in the world, including many general aviation aircraft that we must consider when planning UAS integration, because those same airplanes and small UAS may occupy the same airspace.

Developing all the rules and standards we need is a very complex task, and we want to make sure we get it right the first time. We want to strike the right balance of requirements for UAS to help foster growth in an emerging industry with a wide range of potential uses, but also keep all airspace users and people on the ground safe.

Myth #7: The FAA predicts as many as 30,000 drones by 2030.

Fact—That figure is outdated. It was an estimate in the FAA's 2011 Aerospace Forecast. Since then, the agency has refined its prediction to focus on the area of greatest expected growth. The FAA currently estimates as many as 7,500 small commercial UAS may be in use by 2018, assuming the necessary regulations are in place. The number may be updated when the agency publishes the proposed rule on small UAS later this year.

This page was published at: <http://www.faa.gov/news/updates/?newsId=76240>



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adam.white@alaskaairmen.org

March 19, 2014

Representative Shelley Hughes
Capital Building Room 409
Juneau, Alaska 99801

Rep. Hughes,

Please allow this written statement to be entered into the record concerning the continuation of the UAS Task Force.

The Alaska Airmen Association is a general aviation organization that represents over 2500 members statewide. Our mission is to "promote general aviation in Alaska." Membership includes pilots, mechanics, aircraft owners and others that have an interest in aviation. On behalf of our membership, thank you for the opportunity to submit the following comments pertaining to the UAS Task Force.

We feel that it is vitally important that the UAS Task Force be allowed to continue through 2017. With Alaska being one of the major test sites for UAS integration into the National Airspace System it is imperative that the State Legislature also be at the forefront integrating this technology into everyday life. The most compelling way to effectively be proactive and not reactive is to continue this Task Force.

The Alaska Airmen wish to actively participate in the UAS Task Force and petition the Legislature to expand the group include a seat for The Alaska Airmen Association and the Alaska Air Carriers Association. The significance of how this new technology will influence current practices of manned aviation and the safety implications dictate that current users of the airspace be at the table.

Thank you for your time and consideration,

Adam White

Government Affairs

EDC RESOLUTION NO. 2014-01

A RESOLUTION OF THE FAIRBANKS NORTH STAR BOROUGH
ECONOMIC DEVELOPMENT COMMISSION
RECOGNIZING THE IMPORTANCE OF THE ALASKA CENTER FOR
UNMANNED AIRCRAFT SYSTEMS INTEGRATION (UAF) PROGRAM,
ALASKA'S SELECTION AS AN FAA TEST SITE ON DECEMBER 30, 2013, AND
ACKNOWLEDGING LEGISLATIVE SUPPORT FOR PROTECTING
PRIVACY RIGHTS WHILE ALLOWING RESPONSIBLE
ECONOMIC DEVELOPMENT OF THE INDUSTRY
IN THE STATE OF ALASKA

WHEREAS, the Fairbanks North Star Borough (FNSB) Economic Development Commission (EDC) is responsible for recommending actions that will help develop and strengthen the FNSB economy; and

WHEREAS, the EDC recognizes the Alaska Center for Unmanned Aircraft Systems Integration (ACUASI) at the University of Alaska Fairbanks as the state's leader in unmanned aircraft systems (UAS) research; and

WHEREAS, the benefits of UAS are diverse from search and rescue; delivering medical supplies to remote locations; firefighting; Arctic and volcanic research; monitoring pipelines, pollution, wildlife, traffic and floods; precision agriculture; aerial, forensic and real estate photography; and event security to name a few; and

WHEREAS, the Association of Unmanned Vehicle Systems International 2013 study on the economic impact of unmanned aircraft nationwide shows that in Alaska, direct jobs have the potential to bring in \$19 million with 95 jobs from 2015 to 2017 and it increases from there to \$112 million with 141 jobs between 2015 to 2025; and

WHEREAS, on December 30, 2013 through a joint proposal with Oregon and Hawaii, Alaska was selected as one of six test sites nationwide by the Federal Aviation Administration to research and test for safe integration of UAS into the national airspace; and

WHEREAS, in 2013 the Alaska Legislative Task Force on Unmanned Aircraft Systems was established to provide a comprehensive state policy for unmanned aircraft that protects privacy and allows for the use of unmanned aircraft systems for public and private applications; and

WHEREAS, the Alaska constitution and state law provide some of the greatest privacy protections compared to other states; and

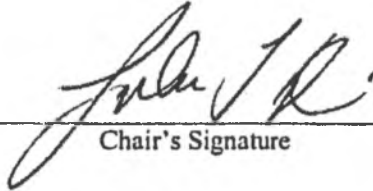
WHEREAS, the task force met and evaluated existing privacy laws for Alaska without recommending duplicative laws for UAS; and

WHEREAS, HCR 15, "Relating to the continuation of the Task Force on Unmanned Aircraft Systems" recommends extension of the task force until June 30, 2017 to serve as a public body to evaluate complaints and concerns regarding UAS, provide written recommendations and legislation, review regulations and guidance from the FAA, and continue with public hearings identifying any potential privacy concerns; and

WHEREAS, HB 255, "An Act relating to unmanned aircraft systems; and relating to images captured by an unmanned aircraft system" supports protecting privacy rights while allowing responsible economic development of the UAS industry in the State of Alaska.

NOW THEREFORE BE IT RESOLVED that the Fairbanks North Star Borough Economic Development Commission acknowledges their support of the legislation proposed by the Legislative Task Force on Unmanned Aircraft Systems and urges the passage of HB 255 and HCR 15.

Approved


Chair's Signature

1/28/14
(Date)

January 27, 2014

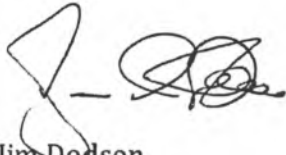
Re: HB 255 and HCR 15

To: Members of the 28th Alaska State Legislature

The Unmanned Aerial Vehicles (UAV) Industry is predicted to grow, over the next several years, into an over 80 Billion dollar world-wide industry. Because of the leadership of the University of Alaska and other supports, Alaska is well positioned to gain a major share of that industry growth. Support and passage of House Bill 255 and House Concurrent Resolution 15 are needed to continue the effort of creating a UAV industry in Alaska.

I urge your support of HB 255 and HCR 15.

Sincerely,



Jim Dodson
President & CEO
Fairbanks Economic Development Corporation

Patrick Gamble, President
Phone: (907) 450-8000
Fax: (907) 450-8012
Email: ua.president@alaska.edu



UNIVERSITY
of ALASKA

Many Traditions One Alaska

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910 Yukon Drive
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Fairbanks, AK 99775-5000

January 24, 2014

The Honorable Shelley Hughes
Legislative Affairs
State Capitol
Room 409
Juneau, AK 99801-1182

via email: rep.shelley.hughes@akleg.gov

Re: UAS test facility award

Dear Ms. Hughes:

As you have probably heard, the Federal Aviation Administration (FAA) announced on December 30 that the University of Alaska has been selected as one of six public entities that will develop unmanned aircraft systems (UAS) research and test sites around the country. I wanted to take this opportunity to thank you for your support of the university's successful efforts to seize a leadership role in the development and deployment of unmanned aircraft systems, and their safe integration into the national airspace.

Alaska has an abundance of natural resources, but its vast size and limited road access have provided substantial challenges for the management and utilization of those resources. Aviation is the only way to access large parts of the state. Recognizing the potential commercial and scientific benefits of the emerging technology of civilian unmanned aircraft systems over a decade ago, the University of Alaska Fairbanks Geophysical Institute (UAF-GI) began working aggressively with this technology, and rapidly became a world leader in civilian UAS.

In 2012, Congress passed the Federal Aviation Administration Modernization and Reform Act. Among other things, this Act addressed the issue of integrating unmanned aircraft systems into the national air space. It provided for the establishment of six separate UAS test ranges around the country aimed at safe implementation of these new technologies for commercial and scientific applications. An industry-commissioned study has predicted that more than 70,000 jobs would develop in the first three years after UAS restrictions are eventually eased by the FAA. Our own study suggests the numbers are much bigger, and can bring significant industry and jobs to Alaska.

The Honorable Shelley Hughes

January 24, 2014

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Realizing the enormous opportunity for Alaska to develop and exploit the benefits of this new technology, and leveraging the work already done by UAF-GI, it was decided that the university would submit a proposal to operate one of these test sites. After a rigorous 10-month selection process involving 25 proposals from 24 states, the university team prevailed.

This success took a collective effort: the university, the Alaska Legislature, the offices of the governor and the lieutenant governor, and Alaska's congressional delegation were all involved. A critical element was the state's decision to appropriate \$5 million to the university in the FY13 capital budget, to be used for "Research and Development of Unmanned Aerial Systems" and to help position UAF-GI to compete for one of the new UAS test ranges. This appropriation supplemented the significant external funding received by the university from a variety of federal and non-federal sources that support UAF-GI's Alaska Center for Unmanned Aircraft Systems Integration (ACUASI). It demonstrated the state's commitment to the project, and was an important factor in the FAA's decision. ACUASI anticipates 20 full-time employees by 2016, with the necessary funding coming from private investors and project work. In addition, the state legislature's efforts to establish a task force to pursue legislation that would both protect Alaskans' privacy while encouraging the industry here were another positive factor in the FAA's review of our proposal.

Again, my thanks for your support. Through collaborations like this, we will make a better future for Alaska.

Sincerely,



Patrick Gamble

cc: Brian Rogers, Chancellor, UAF
Mark Myers, Vice Chancellor for Research, UAF
Ro Bailey, Special Projects Coordinator, UAF
Greg Walker, Director, Alaska Center for UAS Integration, UAF
Bob McCoy, Director, Geophysical Institute, UAF
Chris Christensen, Associate Vice President for State Relations, UA System
Michelle Rizk, Associate Vice President, UA System