

Aerospace Industry Call to Action – Time is of the Essence

FAA ruling jeopardizes future of America's commercial UAS industry

The Federal Aviation Administration's recent publication of an *"Interpretation of the Special Rule on Model Aircraft"* poses a significant risk to the UAS industry.

FAA should be developing a joint approach to commercially-focused UAS regulations, and instead unilaterally plans to prohibit any form of UAS use except for line-of-sight hobbyists flying below 400 feet.

This interpretation, made without industry consultation, furthers FAA's agenda of limiting advancements in commercial UAS operations.

Companies, entrepreneurs, state agencies, first responders and universities looking to develop and prove UAS technologies and services will suffer.

There is now a global race for markets. The opportunity for America to create jobs, economic development, and global market leadership will be irreparably harmed.

"This rulemaking, if it remains unchallenged, will create a mandatory keyhole through which the entire commercial UAV and UAS sector will be forced to pass, and the FAA will hold the exclusive key."

-- Michael J. Dyment, General Partner, UAS America PPP Fund.

Widespread positive impact of unmanned aircraft to the U.S. economy:

The global UAS industry has reached an important inflection point. Products and technologies are rapidly transitioning from military applications into a wide array of high-value commercial uses. Almost all of this has been made possible through investment made by the private sector.

- ❑ The UAS industry, although initially military dominated, has of late become a grassroots movement fueled by societal and economic needs. Growing momentum and enthusiasm for commercial applications is evident in the increasing frequency of media coverage.
- ❑ More than half of U.S. states are actively pursuing technological advancements – jointly with the private sector – for commercial UAS applications. These activities are expected to result in more than 70,000 new US-based jobs with an economic impact of nearly \$14 billion over the first three years of a national program to integrate UAS into America's airspace for commercial uses.
- ❑ Growth in commercial operators will continue to push the interpretation of laws, court rulings and regulations until reasonable industrywide standards are set forth and adopted by the FAA and industry. The growing swell of commercial activity, although non-compliant with FAA policy, would benefit from regulatory guidance, further ensuring the safety of the public.
- ❑ The economics of this industry, however, underscored by the current lagging economic recovery, are too great to be further delayed by bureaucratic processes and strained budgets and require the solutions of industry and government partnerships.

America has much at stake in responding to the opportunities and challenges facing commercialization, all in absence of a favorable and functioning U.S. regulatory environment.

Key problems with the recent FAA Interpretive Rule filing:

The FAA's plan to formalize regulation through denial of commercial use of UAS could become law. The FAA has incorrectly interpreted the language and intent of the 2012 Modernization & Reform Act related to UAS regulations. Instead of adhering to the statute requiring new rules to be made, the FAA has turned on its head to declare that the 2012 Act imposes all existing regulations upon UASs, leaving total uncertainty and an apparent outright prohibition on the commercial development or use of UAS technologies without specific prior FAA "approval." In typical fashion, FAA's *"Interpretation of the Special Rule on Model Aircraft"* is attempting to constrain all UAS development activity, such that commercialization of unmanned technologies will be stymied. Factors or consequences include:

- ❑ All development and testing of non 'hobbyist' UAS henceforth will require prior FAA approval
- ❑ Places onerous new restrictions on landowner activities, including research and education
- ❑ For the first time, grants FAA jurisdiction over airspace under 500 feet everywhere, not just airports
- ❑ Safety interpretation lacks differentiation between FPV impulse hobbyists and sophisticated commercial operators using the latest control and communications infrastructure
- ❑ Prohibition on FPV operations or second person VLOS reliance premature and/or too restrictive
- ❑ New definitions of 'Aircraft' and 'Model Aircraft' are overbroad and unreasonable

How you can assist in ensuring UAS commercialization is not obstructed:

NEXA Capital Partners and the **UAS America PPP Fund** are partnering to lead a legal challenge to the FAA's *"Interpretation of the Special Rule on Model Aircraft."* Together, and with the assistance of other industry participants, including, but not limited to, private UAS companies, associations/organizations, academia, state & local governments, and drone users, we are guiding development of a *"Petition for Review"* to be filed in the federal courts. Your support can be provided in any number of ways:

- ❑ Formally joining us as signatories to the Petition challenging FAA's interpretation
- ❑ Participating in the UAS America Fund Seed Funding Sponsorship Program
- ❑ Contributing to assist in offsetting legal fees associated with filing the Petition for Review

As of August 8, NEXA and UAS Fund have several additional partners committed to signing the Petition.

NEXA Capital and the UAS America PPP Fund:

NEXA Capital Partners, a leader in aerospace investment, has formed the **UAS America PPP Fund** to catalyze the industry by providing over \$2 billion in infrastructure financing to benefit the emerging commercial UAS markets. The UAS Fund plans to draw 100% of its capital from the private sector and expects the U.S. Congress to provide backstop treasury loan guarantees to assist.

The **UAS America PPP Fund** is designed to provide the nexus for all stakeholders to contribute key capabilities, which, working collaboratively, will produce safe, efficient, and cost-effective control and communication infrastructure to integrate this new industry into our country's complex NAS.

TIME IS OF THE ESSENCE. Legal action must commence by August 22. Contact NEXA for additional information