For North Dakota, Drones a Possible Growth Market

Henry C. Jackson, Associated Press

WASHINGTON (AP) — U.S. and North Dakota officials have big hopes for the growth of what are known as unmanned aircraft systems. And the remote northwestern state has positioned itself well to take advantage of its unique attributes: A first-of-its-kind academic program, an established military presence, a strong commitment from state and federal officials to find funding, and even the weather.

"North Dakota made a conscious decision, several years ago, that they wanted to focus on this," said Ben Gielow, general counsel for the Association for Unmanned Vehicle Systems International, a group that promotes unmanned systems and robotics. He added, "North Dakota is one of the leaders and a model that we point to."

The result is a growing footprint for a new and potentially lucrative business: According to a report compiled by AUVSI last year, drones have the potential to create more than 100,000 jobs and more than $80 billion in economic growth between now and 2025. Domestic drones could yield big rewards for states that invest now, said Greg McNeal, a law professor at Pepperdine University who researches drones.

"Basically, you're saying that you want to be a hub for technological development, that you want to be the new Silicon Valley," McNeal said. "And that Silicon Valley might be in North Dakota, but it might not be in a state like Texas because of anti-drone legislation."

Becoming a nexus of drone research could build on the state's oil prosperity. Drilling at the Bakken and Three Forks shale formations have led the state's oil production to surge over the past several years, bringing economic stability, population growth and low unemployment.

The push to make North Dakota a drone leader as well got a boost this month when Michael Huerta, the Federal Aviation Administration administrator, announced in Grand Forks that his agency had granted North Dakota a two-year certificate to begin flying small drone test flights. That's the first of six FAA-selected test sites to get such approval. North Dakota is one of six states, along with Alaska, Nevada, New York, Texas and Virginia, picked to research integrating drones into the civilian airspace.

The FAA does not yet allow the commercial use of drones, but is working on operational guidelines and has said as many as 7,500 small commercial drones could be flying within five years of getting widespread access to U.S. skies.

Grand Forks, the location of the FAA's approved test site, is at the center of the state's drone ambitions. The U.S. Air Force is expected in June to finalize a 50-year lease at Grand Sky, an aerospace and technology park in the city. That facility will be anchored by defense contractor Northrop Grumman Corp. With the FAA's designation, state officials and others hope to attract more investment and interest.

Privacy issues tend to hover over any discussion of investment in domestic drones. North Dakota has largely avoided a backlash by working on the issue proactively. When Gov. Jack Dalrymple set up a committee to oversee the Grand Forks site's operations, he included establishing public safety procedures and privacy restrictions as core goals.

John Villasenor, a UCLA professor and nonresident senior fellow at the Brookings Institution, said privacy issues chilled drone investment in some states, "but drones have many applications, such as crop spraying, that don't raise privacy concerns at all."

The first FAA-approved test flights next month will showcase that sort of use. The Draganflyer X4ES will fly over North Dakota State University's Carrington Research Extension Center. Missions are scheduled for the summer over Sullys Hill National Game Preserve near Devils Lake. In both cases, they will avoid private property and focus on research of agriculture-related uses.

NDSU's extension service is examining how drones can be used to improve seed applications, fertilizer and pesticide, which could potentially reduce costs and improve crop performance. The drones will also collect data designed to help look at how they can be integrated into commercial airspace.

While the state already had the University of North Dakota's first-of-its-kind unmanned aircraft degree program. Gielow also cited the presence of the Air Force's unmanned aircraft mission at the Grand Forks Air Force Base as a reason for the state's strong position.

North Dakota officials have also spent money to welcome drone research. The state put more than $14 million in the Grand Forks site, and the congressional delegation has consistently pitched federal officials that it would be a good home for drone research.

Then there is North Dakota itself. The weather provides a variety of test conditions, and the relatively small population and lack of commercial air traffic make it an attractive location to run test flights.

"For testing purposes, that is what you want," Gielow said.

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