

**Testimony to the House Appropriations Committee**  
**Chairman Michael Nathe**  
**Frank Matus on behalf of the Northern Plains UAS Test Site and Vantis Program**  
**Frank.matus.e@thalesdigital.io**  
315-664-9510

### **HOUSE BILL 1018**

Mr. Chairman and members of the committee, my name is Frank Matus and I represent Thales USA, Inc, the State's systems integrator partner for the Vantis Beyond Visual Line of Site drone program. As many of you are aware, the Vantis program represents the first of its kind infrastructure program supporting unmanned aircraft systems or UAS integration into the national airspace system. Vantis is developing and implementing a commercially operational UAS BVLOS flight system to serve our communities. North Dakota continues to lead industry in the development of UAS aviation infrastructure and operations with the support of our State and Federal partners.

The 2023-2025 North Dakota Governor's budget request is for \$30,000,000 in new funding for Vantis that will drive our vision to the next level. This funding enables program management oversight, sustains the Mission and Network Operations Center (MNOC) in Grand Forks, supports operations and maintenance of Vantis infrastructure, design and deployment of new operational sites and services across the State, and on-boarding of commercial/public UAS operators with appropriate Federal Aviation Administration (FAA)/government approvals.

Other states and countries from around the world, have approached us in hopes of emulating the approach we are taking on this monumental program. This replication means that each time we deploy Vantis services, a portion of the sale of a similar system, is returned to the State as a royalty to recover its initial investment. To date, two other States have become early adopters and as such, a minimum of 3% of fees collected are returned to North Dakota.

However, this is just a start. To eliminate unnecessary red tape and to increase efficiency, we are recommending changes to the Commerce Century Code to ensure that the Northern Plains UAS Test Site be given the authority to act independently under the Department of Commerce. This will reduce many layers of unnecessary bureaucracy that were not envisioned originally but are stifling the efficiency of the North Dakota State government and Thales alike. I urge you to support those changes.

Finally, on a personal note, this program was so important to not only me, but Thales, that my family and I have relocated to the State so that I can personally ensure the mission and vision of the Vantis program is realized and to increase the number of jobs that will unlock the potential of UAS.

**Recommended Revisions:**

**54-60-28. Unmanned aircraft systems program - Report to legislative management.**

The department shall provide support to operate and manage an Uncrewed Systems Test Site Authority which has been designated and recognized by the Federal Aviation Administration and overseen by a board of advisors appointed by the Governor. The Authority shall enable a Test Site Organization that operates on behalf of the Authority and has the authority to administer the organization, charge fees, and enter into contracts with public or private entities. The Test Site Organization shall have the intent to provide expertise, management, coordination, participation, research, development, and operations of uncrewed systems in cooperation with public and private entities in the State of North Dakota and may enter into agreements to provide similar services to entities outside the State if deemed advantageous. The Authority may authorize the Test Site Organization to enter into partnership agreements with other Public and/or Private entities, subject to future appropriations, and also to expand its mission and coordinate with other state, federal or private entities. The department shall report semiannually to legislative management on the status of the program.

**54-60-29. Unmanned aircraft systems program fund - Continuing appropriation.**

1. There is created in the state treasury a special fund known as the unmanned aircraft systems fund, which may be used to defray the expenses and support of the:
  - a. Operations of an unmanned aircraft systems test site officially designated by the federal aviation administration;
  - b. Beyond visual line of sight unmanned aircraft system program; and
  - c. Enhanced use lease grant program.
2. The fund consists of fees, royalties, other generated revenues collected from the administration of the test site and other funds appropriated by the legislative assembly, federal funds, or other governmental entities. All moneys in the fund are appropriated to the department of commerce on a continuing basis for the purpose of defraying the expenses of the programs identified in subsection 1 and reinvesting into building the North Dakota UAS Industry. Interest earned on moneys in the fund must be credited to the fund.

**54-60-29.1. Beyond visual line of sight unmanned aircraft system program -Requirements - Report to legislative management.**

The department may establish and administer a program for the design, purchase, implementation and operation of a beyond visual line of sight unmanned aircraft system. This program should establish government and industry partnerships consistent with North Dakota Century Code. The department shall require any entity receiving funding for this program which is operating the beyond visual line of sight unmanned aircraft system to provide quarterly payments to the state treasurer equal to three percent of the entity's gross income associated with the operation of the beyond visual line of sight unmanned aircraft system as reported in the entity's prior year financial statements. The state treasurer shall deposit any funds received under this section in the state general fund, and any additional funds into the UAS program fund. The department shall provide semiannual reports to the legislative management regarding the development of the beyond visual line of sight unmanned aircraft system program and the total amount deposited by the state treasurer in the state general fund.