



January 10, 2025

Testimony in Support of House Bill 1038

Dr. Josh Riedy, Founder and CEO

Chairman Vigesaa and Members of the House Appropriations Committee,

My name is Josh Riedy, and I'm founder and CEO of Thread, located in Grand Forks. Thank you for the opportunity to present testimony on this important bill today. I urge a DO PASS recommendation. And thank you to Representative Nathe for many meetings and conversations since this bill has been introduced.

Thread is a software-as-a-service provider primarily for electric utilities that has developed a best-in-class enterprise data management solution for uncrewed aerial systems. In short, we specialize in making sure data generated by drones is useful and secure.

The goal of 1038 is laudable: to make sure state-owned drones are secure. Security comes from two components: hardware and software. While you might be familiar with drones and where they are manufactured, many are not familiar with how software is the critical component to the security of drone-generated data. A recent FBI bulletin made this clear.

We have had extensive conversations with Rep. Nathe, representatives of Thales, and leaders from the Northern Plains UAS Test Site since the bill was introduced. And it is good for the state of North Dakota that the bill gives discretion to the test site to be sure data generated by state owned drones is not only generated by drones compliant with federal law but also that the test site is equipped with the discretion to protect the state's data with an enterprise data management solution—that is, both hardware and enterprise software. This software solution will be a critical component of the drone-replacement program, helping to limit and mitigate cybersecurity risks to the state and the tremendous investments the legislature has made in building up this industry.

Thank you again for the opportunity to testify in support of this legislation, and thank you for your support of the uncrewed aerial system industry. I would stand for any questions the committee might have.