



**Testimony in Opposition to HB 1038**  
**Senate Industry & Business Committee**  
**January 29, 2025**

Chairman Barta and Members of the Senate Industry & Business Committee,

On behalf of the DJI Technology Company, I am here in opposition to HB 1038 and to offer an amendment. DJI is the world's largest drone manufacturer, and has a dominant share of the U.S. and global drone market with 80% of the total market. Estimates are that DJI holds 95% of the U.S. hobby drone market and close to 90% of the agricultural drone and commercial markets.

This bill is asking for state agencies and higher education programs to trade in highly functional and secure DJI drones in exchange for drones that are 2-3 times more expensive with less functionality. Users choose DJI drones because they are well built, easy to pilot, and inexpensive. DJI servers are located in the US but most users rely on local data mode to keep their data local.

I encourage you to read the testimony submitted online by many drone pilots. They have described how important these drones are to their line of work, and how these users keep their data secure. These users are concerned about the "slippery slope" - the state is coming after state owned drones this session. Will it be consumer drones next session? Law enforcement, realtors, agriculture spray companies, professional photographers, insurance companies and many more industries rely on DJI drones.

I'd like to offer an amendment. The amendment removes the federal compliance language and replaces it with language requiring drones that have the ability to turn off data transmission, and requires an American data storage company to house data.

Thank you for your consideration, and we hope to work with the committee on workable amendments to the bill.

Respectfully submitted,

Lisa Feldner  
DJI Technology Company

Introduced by

Representatives Nathe, Bosch, Hagert, Lefor, Mitskog, O'Brien, Schreiber-Beck, Stemen,  
Vigesaa

Senators Axtman, Bekkedahl, Hogue

1 A BILL for an Act to provide an appropriation to the department of commerce for an uncrewed  
2 aerial vehicle replacement program and a state radar data pathfinder program; to provide for a  
3 report; and to declare an emergency.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. APPROPRIATION - DEPARTMENT OF COMMERCE - STRATEGIC**

6 **INVESTMENT AND IMPROVEMENTS FUND - UNCREWED AERIAL VEHICLE**

7 **REPLACEMENT PROGRAM - LEGISLATIVE MANAGEMENT REPORT - ONE-TIME**

8 **FUNDING.** There is appropriated out of any moneys in the strategic investment and  
9 improvements fund in the state treasury, not otherwise appropriated, the sum of \$15,000,000, or  
10 so much of the sum as may be necessary to the department of commerce for the purpose of  
11 administering an uncrewed aerial vehicle replacement program, for the period beginning with  
12 the effective date of this Act and ending June 30, 2027. This funding is considered a one-time  
13 funding item.

14 ~~1. The department of commerce shall collaborate with the uncrewed aircraft systems test~~  
15 ~~site established in section 54-60-28 and state agencies, including institutions under~~  
16 ~~the control of the state board of higher education, to replace uncrewed aerial vehicles~~  
17 ~~owned by the state which do not comply with requirements of the federal National~~  
18 ~~Defense Authorization Act and the American Security Drone Act of 2023. A state~~  
19 ~~agency owning an uncrewed aerial vehicle before January 1, 2025, is eligible to~~  
20 ~~receive a new uncrewed aerial vehicle that is in compliance with federal requirements~~  
21 ~~and is of equivalent capability to the agency's existing uncrewed aerial vehicle.~~

- a) An agency, including institutions under the control of the state board of higher education, shall not purchase an unmanned, remotely piloted, powered aerial or ground vehicle unless one or both of the following conditions are met:
1. The vehicle contains an option to turn-off any data collection programs that are not necessary for the vehicle to function; and
  2. The agency uses an American data storage company to house all data collected, including video and photographic images.
- b) The restriction and conditions pursuant to subdivision (a) shall only apply to an unmanned, remotely piloted, powered aerial or ground vehicle purchased on or after January 1, 2025 and shall not restrict an agency's ability to maintain ownership or

possession of an unmanned, remotely piloted, powered aerial or ground vehicle purchased prior to January 1, 2025.

22 The department of commerce shall purchase each uncrewed aerial vehicle based on the  
23 needs of the agency and a recommendation from the uncrewed aircraft systems test

1 site and provide the uncrewed aerial vehicle to the agency. The department of  
2 commerce shall use a portion of the funding provided in this section to pay for training  
3 needed for agency staff to operate the new uncrewed aerial vehicle. The department  
4 of commerce and uncrewed aircraft systems test site shall give priority to state  
5 agencies willing to share uncrewed aerial vehicles rather than purchasing multiple  
6 uncrewed aerial vehicles.

7 2. Any uncrewed aerial vehicle replaced under this section must be remitted to the  
8 uncrewed aircraft systems test site for proper decommissioning and disposal pursuant  
9 to federal and state regulations, which may include the sale of uncrewed aerial  
10 vehicles to the United States department of homeland security at market rates for use  
11 in the counter unmanned aircraft system program. The department of commerce shall  
12 remit any funding received under this section to the state treasurer for deposit in the  
13 general fund.

14 3. The department of commerce shall maintain an inventory of uncrewed aerial vehicles  
15 purchased for state agencies under this section and encourage state agencies to use  
16 the state beyond visual line of sight program. The uncrewed aircraft systems test site  
17 shall provide guidance to state agencies regarding the integration of uncrewed aerial  
18 vehicles into the beyond visual line of sight system and proper maintenance schedules  
19 for uncrewed aerial vehicles. The uncrewed aircraft systems test site shall establish a  
20 centralized system for state agencies to register uncrewed aerial vehicles and  
21 authorized operators for accessing the beyond visual line of sight system and shall  
22 provide operational support when state agencies use uncrewed aircraft systems test  
23 site integrated platforms.

24 4. During the 2025-26 interim, the department of commerce shall compile information  
25 from state agencies and provide a report to the legislative management by June 30,  
26 2026, regarding the status of the program, funding spent on uncrewed aerial vehicle  
27 replacements and training costs, the number of uncrewed aerial vehicles replaced in  
28 each state agency, the number of uncrewed aerial vehicles sold or disposed, and any

1 **SECTION 2. APPROPRIATION - DEPARTMENT OF COMMERCE - STRATEGIC**  
2 **INVESTMENT AND IMPROVEMENTS FUND - STATE RADAR DATA PATHFINDER**  
3 **PROGRAM - LEGISLATIVE MANAGEMENT REPORT - ONE-TIME FUNDING.** There is  
4 appropriated out of any moneys in the strategic investment and improvements fund in the state  
5 treasury, not otherwise appropriated, the sum of \$11,000,000, or so much of the sum as may be  
6 necessary, to the department of commerce for the purpose of administering a state radar data  
7 pathfinder program, for the period beginning with the effective date of this Act, and ending  
8 June 30, 2027. This funding is considered a one-time funding item.

9 1. The department of commerce shall collaborate with the uncrewed aircraft systems test  
10 site established in section 54-60-28 in administering the state radar data pathfinder  
11 program and participating in the federal radar data pathfinder program administered by  
12 the federal aviation administration. The department of commerce shall use funding  
13 appropriated in this section to:

14 a. Support the integration of federal radar data with state uncrewed aircraft systems  
15 and the beyond visual line of sight program.

16 b. Develop and implement security control protocols that meet federal aviation  
17 administration radar data requirements to ensure compliance with national  
18 security standards.

19 c. Enhance uncrewed aircraft systems and radar data infrastructure in the state.

20 d. Increase the safety and effectiveness of the operations of the uncrewed aircraft  
21 systems test site.

22 e. Provide state agencies with training and technical resources to use federal radar  
23 data securely while using the beyond visual line of sight program.

24 2. During the 2025-26 interim, the department of commerce shall provide a report to the  
25 legislative management and the governor by June 30, 2026, regarding the status of  
26 the state radar data pathfinder program, integration of the state program with the  
27 federal aviation administration radar data pathfinder program, expenditures to date,  
28 and the effect of the program on uncrewed aircraft system operations, safety, and data  
29 security in the state.

30 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.