

## Drone Law Enacted as Part of North Carolina Budget Bill

08.01.2014

On Saturday, August 2, the North Carolina General Assembly gave final approval to the Appropriations Act of 2014. The 260-page budget bill—which is now on the Governor’s desk—contains several pages governing the use and operation of unmanned aircraft systems (“UAS,” but known in common parlance as “drones”). The UAS provisions are similar to ones that were unanimously passed on June 25, 2014, by the North Carolina House, in the HB 1099.

Assuming the budget bill becomes law, what does its passage mean for North Carolina—which, by the way, should be aspiring to be “ascendant in UAS”—and for companies associated with, or in the production stream of, UAS? After all, the FAA appears to be far from achieving lift-off in its Congressionally-mandated UAS rulemaking proceeding: The U.S. Department of Transportation’s Office of the Inspector General recently observed in its June 26, 2014, Audit Report that the FAA “is behind schedule on most of the act’s [FAA Modernization and Reform Act of 2012’s] UAS provisions, and the magnitude of unresolved safety and privacy issues will prevent FAA from meeting Congress’ September 2015 deadline for UAS integration.” (It has been reported that President Obama may use an Executive Order to assign responsibility for generating UAS privacy regulations to the National Telecommunications and Information Administration (NTIA)—perhaps that would help bring resolution to the “unresolved privacy issues” referenced in the Audit Report.) And, while North Carolina was not selected by the FAA as a UAS test site, the North Carolina NextGen Air Transportation Center has obtained Certificates of Authorization (COA) to fly UAS in Hyde County, Butner, and elsewhere. So, again, with the FAA apparently stalled, and with NGAT operations taking off, what are the implications of the UAS provisions in the budget bill? It is difficult to say with certainty, but here are a few thoughts.

### PEOPLE

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