

Aviation company presses N.C. to invest \$6 million in drone equipment

Richard Craver/Winston-Salem Journal | Posted: Wednesday, August 13, 2014 8:30 pm

An aviation company that wants to open a research and development facility in Winston-Salem is pressing state Commerce officials to agree to a multi-million dollar purchase related to its unmanned aircraft products.

Olaeris said in December it had picked the Triad as its preferred choice for a site, based primarily on geography such as its elevation above sea level. It expects to create close to 200 jobs in its first phase, primarily engineers, technicians, programmers, pilots, trainers and support personnel.

Olaeris' unmanned aerial systems are shaped like a flying saucer and capture images with digital technology.

The company is targeting law enforcement and first-response emergency groups. The aircraft could allow those groups to determine which roads are better options for responding to an emergency.

Olaeris is talking with Commerce officials about an investment of up to \$6 million in unmanned aircraft products and equipment to help the company demonstrate the products' potential. The investment would be in lieu of state incentives.

Ted Lindsley, the company's chief executive, could not be reached for comment Wednesday.

Lindsley previously has indicated the company could revisit sites in 18 other states if it does not get a state investment. He said he has been approached by at least 30 suppliers since the December announcement.

Commerce spokeswoman Kim Genardo said the department's policy is to not comment on whether it is working on any particular project.

Lindsley said in June that Olaeris has been negotiating with Triad economic developers about a site and with state lawmakers about regulatory flexibility.

Mark Davidson, executive director for Smith Reynolds Airport, said he has presented to Olaeris a 75,419-square-foot facility for lease at 3820 N. Liberty St. "I thought it might be a good fit," Davidson said. "Olaeris can manufacture the drones anywhere, and they do not need an airport."

Davidson said he understands Lindsley is attempting to secure contracts with local government entities.



AEVA_Bottom_View.jpg

Olaeris has selected North Carolina as its top choice for a U.S. headquarters facility. They developed AEVA, a flying saucer shaped aircraft that can automatically launch, navigate, and arrive to 911 emergency incidents in about 90 seconds.

Lindsley said in June he has spoken to Winston-Salem police Chief Barry Rountree.

“I told him Olaeris was willing to make bold guarantees that our technology would substantially reduce crime in Winston-Salem, especially burglaries and thefts,” Lindsley said.

“In addition, we are willing to put specific targets in writing, and if we fail to meet those, (to) not charge the city a dime. I know of no government vendor that would make those guarantees.”

A main challenge to commercial use of the unmanned aircraft is that the Federal Aviation Administration has not issued guidelines. Some states, such as North Carolina, have opted to create their own guidelines.

In the N.C. state budget passed last week, there was language that prohibited: the use of drones for conducting surveillance on homes and private property without permission; taking an individual’s picture without permission; and use for hunting, fishing and as a potential weapon to use on humans.

Legislators carved out exceptions for law enforcement that include monitoring potential terrorist activity, monitoring a site where a search warrant authorizing drone use has been obtained, and instances where imminent threat of danger to life or property exists. There are exceptions for the scientific use of drones, primarily agricultural.

Legislators approved fines for unauthorized use of unmanned aircraft.

Rep. John Torbett, R-Gaston, said he expects state guidelines will be superseded by FAA regulations. He said Olaeris would have to disclose its plans and products to the state’s chief information officer for approval.

“We did what we could to give them a framework for commercial use,” Torbett said. “The top consideration is safety and privacy. We attempted to help alleviate some of the fear factor with the legislation.

“We believe there is great opportunity for this aviation sector and would like North Carolina to be at the forefront of the investment and jobs.”

Lindsley said another reason why Olaeris wants to establish operations in the Triad is access to the NextGen Air Transportation division at N.C. State University. “The NGAT team demonstrated the clearest understanding of our company’s needs and our technology,” Lindsley said in December.

Kyle Snyder, director of the N.C. State aviation group, said FAA approval for full beyond-line-of-sight operations is “several years out.”

“We can work with Olaeris immediately as soon as the first aircraft is produced to start operating the system in a controlled environment today, just as we are doing with eight other aircraft at three locations across the state,” Snyder said.

“We coordinate those activities with the state and FAA for research waivers to support broader integration. No product is allowed to operate beyond line of sight today – commercial or state/local government agency – in domestic non-restricted airspace.

“This need for development, evaluation and integration support and time is what makes North Carolina such a great fit for Olaeris,” Snyder said. “Our state unmanned aircraft system integration program is uniquely equipped, knowledgeable, and committed to tackling these challenges.”

Snyder said that the Olaeris project is not a simple solution of “commit to buy this product now and we can produce it in your state. Olaeris’ success comes from integration and approval.”

“I don't know what the risk is to Olaeris pulling out. We are doing everything we can in the NGAT office to make it happen.”

Asking the state to make a direct investment in Olaeris, rather than just approving incentives, is an unusual proposition by the company, “but smart on its part,” said John H. Boyd, a principal in The Boyd Co. Inc., a site-location consulting company in New Jersey.

Boyd said the company needs to be able to demonstrate the capability of its systems while it awaits FAA guidelines. By having the state buying equipment and have it put into use, he said it could serve as a tacit recommendation of the systems.

Boyd said he has unmanned aircraft companies similar to Olaeris as clients, who “have a keen eye on state legislatures and how their products are apt to be regulated beyond the purview of the FAA.”

“States taking legislative measures to limit the domestic use of drones will be doing themselves no favors as it relates to their attracting new investment and jobs from this high growth industry - one projected to reach \$10 billion over the next three years.”

Journal reporter Bertrand M. Gutierrez contributed to this article

rcraver@wsjournal.com (336) 727-7376