



**DEPARTMENT OF COMMERCE TESTIMONY ON  
DISTRIBUTIVE GROUND STATION  
TUESDAY, MAY 24, 2016  
ECONOMIC IMPACT COMMITTEE  
SENATOR CONNIE TRIPLETT, CHAIRMAN**

**PAUL LUCY – DIRECTOR, ECONOMIC DEVELOPMENT & FINANCE DIVISION - ND DEPARTMENT OF COMMERCE**

Good morning, Madam Chairman and members of the committee, my name is Paul Lucy and I serve as the Director of the Economic Development & Finance Division of the North Dakota Department of Commerce.

I was asked to come before you today to discuss the Department of Commerce’s vision for the outcome of the legislative management study regarding a “Civilian Ground Center for Processing First Responder Data.”

I understand the purpose of the study and the value of having a system in place to support real-time event requirements for first responders. I believe North Dakota is well positioned with expertise and UAS support capabilities to address a portion of the infrastructure necessary to have a centralized system in place to support the needs of emergency management situations. However, there is a great deal of additional infrastructure required and yet-to-be-determined levels of demand for services required to efficiently operating a civilian ground center.

There are presently many unanswered questions: What is the demand, and by whom? What comes first, the system to support the yet-to-be-determined demand, or the demand that drives the need for the civilian ground center infrastructure and system? And a question that I believe is one of the most important questions to answer – Is there an opportunity to develop a public/private partnership to develop a system.

This study is intended to focus on first responders or the public sectors needs for gather, analyzing and storing data and imagery. When in reality, the public sectors needs are really just the tip of the iceberg when you consider the potential future needs of private industry. We still have not seen even a minute fraction of commercial business activity that will come from the utilization of UAS in the private sector. When the FAA eventually allows for the full integration of unmanned systems into the national airspace system, the potential demand for such systems as this distributive ground center could be endless. Many companies will collect, store and analyze their own information. But in today’s world of outsourcing, there is no reason to believe that companies in the future won’t outsource many of these functions to a capable service provider. Very similar to what is presently happening in the data center industry.

North Dakota has been a first mover and leader in a number of areas as it relates to the unmanned aircraft systems industry. There is an opportunity here to potentially be a “leader of the pack” as it relates to developing a system where public and private sector data collection, analysis and storage can be done in a safe and secure manner. Being such a leader will position North Dakota to once again have a leg up against the other states in creating new high paying employment opportunities as a new industry develops in our country and in our state.

As we consider the questions I posed earlier, it is important that we are not restricting ourselves when identifying the demand and the opportunities. Besides the needs of first responders and emergency management, there are a number of ND state agencies that are researching options for utilizing UAS to efficiently and cost-effectively fulfill their needs in gathering data. It would be prudent to consider their needs as a system is developed. We should also not limit ourselves to only look within our State’s borders. North Dakota could potentially have a center in our state that also provides these same services to state agencies and first responder networks in other states across the country. Servicing private sector clients from the same facility could and should also be incorporated into the strategy. This would create efficiencies that would be beneficial to the public sector users, while at the same time resulting in additional private sector job creation in North Dakota. We should look big picture and big impact.

We have been engaged in conversations with private sector companies that are aware of this initiative in North Dakota and are interested to see if there is a way for them to play a role. As I mentioned there are many unanswered questions. Next step in our mind would be to identify a core group of organizations and individuals that have a thorough understanding of the various components and complexities associated with a civilian ground center. Organize that group in the near term and begin to discuss and identify demand, opportunities and options for creating a framework or a system that could provide long-term benefits to North Dakota.

In summary Madam Chairman and committee members, Commerce’s vision for the outcome of the study would be to see a framework developed to create a system or process within North Dakota that can bring the common needs and service offerings of the public and private sector together to result in the collection, analysis and secure storage of electronic data and imagery.

Madam Chairman and members of the Economic Impact Committee, this concludes my comments. I would be happy to answer any questions.