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April 2, 2019

Senator Jim Honeyford
201 Irv Newhouse Building
PO Box 40406
Olympia, WA 98504

Senator Keith Wagoner
109A Irv Newhouse Building
PO Box 40439
Olympia, WA 98504

Re: Substitute Senate Bill 5137

Dear Senators Honeyford and Wagoner:

The Small UAV Coalition¹, the leading organization representing the commercial unmanned aircraft systems (UAS) industry, opposes Substitute Senate Bill 5137 as drafted. Many leading Washington-based companies, including members of the Coalition, are investing significantly to develop and deploy full scale UAS operations ranging from commercial applications such as package delivery and cell tower inspections to humanitarian missions like search and rescue. Drones are poised to create efficiencies and offer new solutions that will generate revenue, meet evolving consumer demands, and increase worker safety. However, legislation that fails to take into account that there is not yet a regulatory framework in place for full scale commercial operations endangers continued investment and industry growth.

Given the nascent and rapidly developing state of the commercial UAS industry and UAS technology, the Coalition believes it is premature to impose an excise tax on commercial drones while most operators are awaiting additional regulations that will enable ubiquitous and revenue-generating operations. Today's federal regulatory framework is relatively limited and only allows for routine commercial UAS operations during the day, within the visual line of sight, and without flying over people. Industry is awaiting additional Federal Aviation Administration (FAA) rulemakings that will not only enable expanded operations such as flights beyond the visual line of sight and over people, but also impose remote identification standards that will enhance safety, security, and privacy. Further, industry is working with NASA and the FAA to develop and

¹ Members of the Small UAV Coalition include Amazon Prime Air, Intel, Kespry, PrecisionHawk, Verizon, Wing, Aeronyde, AGI, AirMap, DroneCourse.com, Flirtey, Percepto, T-Mobile, and Yamaha.

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implement and unmanned traffic management (UTM) system that will enable commercial operations to scale. Until these pieces are in place, it is impossible to assess an appropriate excise tax for commercial UAS.

The proposed amount of the excise tax also appears disproportionate to those excise taxes imposed on manned aircraft, whether based on weight or cost. In addition, the price of a small UAS, as well as UAS that weigh over 55 pounds, varies widely from aircraft to aircraft. Aircraft design will also continue to evolve as new regulations permit expanded operations.

The Coalition welcomes the opportunity to discuss these issues further, but must oppose Substitute Senate Bill 5137 in its current form.

Sincerely,

